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## **FLEXIBILITY IN THE CORE OF EFFECTIVE LEADERSHIP**

# **FLEXIBILITY IN THE CORE OF EFFECTIVE LEADERSHIP**

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Master's Thesis  
Autumn 2015  
Degree Programme  
in Industrial Management  
Oulu University of Applied Sciences

# ABSTRACT

Oulu University of Applied Sciences  
Degree Programme in Industrial Management

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Title of thesis: Flexibility in the Core of Effective Leadership

Supervisor: Hannu Päätaalo

Term and year of completion: Autumn 2015

Number of Pages: 93

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The purpose of this research was to study leadership effectiveness. Authoritarian leadership is not always the best choice in today's business environment. Newer generations of employees have many expectations towards their jobs, and leaders are required to consider multiple factors in order to ensure an effective work environment.

This research had two objectives: to study what effective leadership means in practice and what makes an effective leader. This was done by methods of Grounded Theory using literature, articles, journals, researches and media sources such as internet news pages and internet pages of organizations.

The research showed that flexibility is the core of effective leadership. Leaders strive to influence other people for the good of the organization. To be effective in this they must be flexible, making flexibility the key common factor enabling leaders to function effectively in various situations.

Maximizing effectiveness and productivity is paramount, and to succeed in this, the core of effectiveness must be understood. Leadership is influencing, and leaders are aiming to get people functioning in a desired manner in order to reach the desired objectives. Influencing others requires leaders and leadership to be adaptable. It also demands the use of varying methods and approaches depending on the situation.

This research focuses on studying leadership effectiveness partially on a general level, and partially from an organizational point of view. The approach is mainly individual. Employees' perceptions of effective leadership and effective leaders are not covered with detail. Therefore, for future research it would be interesting to study what makes an effective leader from the employees' point of view, and whether it differs from the results of this research.

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Keywords: Flexibility, Effectiveness, Leadership, Grounded Theory

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# 1 INTRODUCTION

Leadership and effectiveness are in close relation to one another. Leaders are expected to function effectively, and to get others to function effectively. To be effective in as many situations as possible, different methods and approaches, also called leadership styles, must be used. (Chen & Silverthorne 2005, 280; Perkka-Jortikka 2005, 151.) Leadership is a phenomenon of influencing others. To do this, leaders must communicate to others what they would have them do. (Salminen 2001, 15, 68; Åberg 2000, 23.)

The purpose of this research is to study leadership effectiveness. The subject of this research was chosen because of the past professional experience of the researcher. The researcher has for several years worked in various management positions, and met many different types of leaders. Because the approaches and methods of different leaders have seemed to differ so much from one another, the researcher became interested about what being a good leader actually means, and what the attributes of an effective leader are.

The study was done as a qualitative research, with Grounded Theory as the chosen research method. Grounded Theory allows for the researcher to start with gathering and studying the research data, before forming the actual research questions. The research method did not prohibit choosing the general topic, but makes it possible to detail the research questions during the data gathering process. This is one of the basic elements of Grounded Theory – the findings steer the research, instead of the researcher choosing the data to make it better fit the detailed research questions.

As the research progressed, it was noticed that the research data supports many of the pre-existing assumptions of the researcher. Adjusting one's behavior case by case and holding people in high value were shown to be important in this research. This was assumed in advance by the researcher as well.

In summary, the objectives of this research were to study what effective leadership means in practice, and what makes an effective leader.

## 2 EFFECTIVE LEADERSHIP

Kostamo (2004, 15) describes the general perception of leadership the following way: "Leadership means that a leader decides and tells others what is done and how it is done". This, however, can be achieved in many different styles and in many different tones.

To mention a few, Kostamo (2004, 15) points out that at least the following methods are recognized: telling, ordering, informing, stating, suggesting, requesting, wishing, imploring, negotiating, discussing and even hinting. According to Kostamo, it is also possible that decision-making includes also others and not only the leader. Kostamo (2004, 16) argues that a leader deciding by himself is not essential for the concept of leadership. In his view, leadership is pointing out the rough lines of direction, setting targets and goals and getting people involved. Kostamo (2004, 39) shows reluctance in defining leadership with a single sentence, but gives a short definition for leadership as "influencing people to accomplish the purpose of the organization".

In literature leadership and management are treated either as two separate matters or as two different words with the same meaning, depending on the writer. Korpelainen (2013, 8) treats them as near synonyms. In his view it is fair to say that all leaders have subordinates, which makes them also managers. Hersey and Blanchard (1990, 5) have a different view. They note that leadership and management are often considered to have the same meaning, but point out that they have important differences.

Hersey and Blanchard (1990, 5) consider leadership to be a far wider concept than management. According to their description, leadership is influencing the behavior of others (1990, 2) and management is working with people or groups in order to reach the goals of the organization. They also draw a conclusion that in order to succeed, the executives of an organization must show skills in human interaction, and therefore management can be described as reaching the goals of the organization through leadership (Hersey & Blanchard 1990, 5).

Lieutenant Colonel Vesa Nissinen of the Finnish Defense Forces, the developer of the Deep Leadership model, also views management and leadership as separate concepts. He describes management as a position that is granted, and leadership as a status that is earned (Nissinen 2004, 111). Although different opinions are found regarding whether leadership equals management, it can be said that leadership aims for the reaching of goals that are common to many (Kostamo 2004, 39; Hersey & Blanchard 1990, 5; Perkka-Jortikka 2005, 6).

Ristikangas and Ristikangas (2010, 22) also bring up the interactional nature of leadership. They see leadership not as an absolute value, but rather as an instrument or means for influencing and having an impact together with the ones that are led.

This research studies leadership in general, and also through the managerial point of view. In this research, all leaders are presumed managers, and all managers are presumed leaders by default. For example the topics covered in chapter 4.4 are closely related to leaders' positions and responsibilities as managers. Therefore, the term manager is widely used in chapter 4.4.

## **2.1 General nature of leadership**

Leadership as a phenomenon is very old, and it can be said that leadership has existed as long as humans (Piili 2006, 13). According to Korpelainen (2013, 21) some of the earliest teachings in leadership date back thousands of years. According to Kostamo (2004, 131) leadership training is perceived to have originated in military academies. For Finland this means the military academies of the Royal Swedish Army, and later on also the military academies of the Tsar of Russia. During years 1915-1917, before Finland was able to establish its own military schools, Finnish Jaegers traveled to Germany to obtain officer training.

Ristikangas and Ristikangas (2010, 28) describe the necessity of leadership. In their view, the absence of leadership would cause a status of being stationary, or being stopped. Leadership is needed to ensure that groups move and transform, and that they are headed for the same direction and build co-operation.

Ristikangas and Ristikangas have also found influencing others to be in the heart of leadership.

Kostamo (2004, 216) emphasizes the importance of a leader's situational awareness. He sees situational awareness as an enabling factor behind all decision, choices and plans that a leader makes. Hellbom, Mauro and Salo (2006, 66) have also found the importance of awareness. They draw an even straighter link between leadership and awareness, because according to them, leadership is influencing, and one cannot influence without being aware of matters.

Situational awareness builds upon knowledge of the operational environment, the current state of the organization and the factors affecting those two. This is very challenging partly because of the amount of needed information, and partly because of the abundance of information available. It is not easy to pick the bits that are significant, and at the same time seek for the information not yet available but what is needed. (Kostamo 2006, 216.)

In practice, it is not possible to gain optimum situational awareness because it is not possible to use infinite amount of time for gathering and analyzing information. Organizations use a vast amount of resources for gathering, optimizing and refining information, but a leader cannot be fully dependent on such systems. A leader must still evaluate the expediency of the available information, and sometimes even use one's own intuition. (Kostamo 2004, 216-217.)

Ristikangas and Ristikangas (2010, 18) have found that there is need to renew the leadership behavior in organizations. The entry of new generations into work life changes leadership. According to Ristikangas and Ristikangas, People born between 1980 and 2000 are called the Y-generation, and they possess a different kind of view towards work than previous generations. Hierarchies are questioned, work must be inspiring, leadership must be just and co-operation in the office pleasant. This raises the need to put more focus on leadership.

Hellbom, Mauro and Salo share the opinion that leadership is in transformation. The increasing pace of changes and the multifaceted nature of the world place new challenges on leadership. Today's needs call for leadership that fits many different types of situations. Hellbom, Mauro and Salo illustrate this need by



describing a simultaneous need for seeing far ahead while staying close to people. The resources must be released to enable creativity and effectiveness. (Hellbom & Mauro & Salo, 2006, 65.)

## **2.2 Connection between effectiveness and good leadership**

Businessdictionary.com defines effectiveness as “the degree to which objectives are achieved and the extent to which targeted problems are solved.” The description of effectiveness also puts weight on “doing the right things”, instead of focusing on “doing things right”. (www.businessdictionary.com, cited 16.7.2015.)

Perkka-Jortikka (2005, 151-152) has found that a leader is expected to be effective. Regardless of that expectation, the effectiveness of leadership has not been given much attention despite the vast amount of literature and articles concerning leadership. Over the past hundred years up until the past decade, the expectations for being effective have mainly been associated with manual labor and the people doing that. Effectiveness has been tightly connected to orders and control.

The work environment today requires more from people than only the use of their muscles. Today, workers are increasingly expected to use their brain, different theories and abstract concepts, thus making their effectiveness reflect differently to the progress of organization than it did before. The expectation of effectiveness can be seen as being built-in in today's requirements for both leaders and employees. (Perkka-Jortikka 2005, 152-153.)

Lehtinen (www.hameensanomat.fi, cited 16.7.2015) has found a connection between effectiveness and being a good leader. According to Lehtinen, a good leader sustains know-how through effective leading. Lehtinen has also found that a good leader can effectively control varying leadership situations with different kinds of people.

Rummukainen (2007, 30) describes an effective leader as someone who is able to paint the goal for his team and show the way to reaching it. Peeling (2006, 12) uses the same description for explaining the general meaning of leadership.

In simple terms, a leader points the desired direction and objectives to his subordinates and guides them to that destination (Peeling 2006, 41).

A consistent behavior of a leader will make the employees adjust their behavior. According to Peeling, a leader is also able to transfer his good qualities into his employees. Rummukainen describes a similar phenomenon. According to Rummukainen, when a leader has energy he is able to transfer that energy also to others. (Rummukainen 2007, 30, 56; Peeling 2006, 55.)

The classic model of leadership was originated in the early 20<sup>th</sup> century. It consists of three parts; Planning, Execution and Supervision. The process of planning, executing and supervising is an evolving system where the correct actions to take may change depending on changing conditions or increased information. The classic model of leadership can be encapsulated to *doing the right things the right way*. (Korpelainen 2013, 25.)

Rummukainen makes a clear distinction between supervising the execution and supervising the results. According to Rummukainen, top leaders do not supervise how tasks are performed by their employees – they focus on supervising the results, and by this they communicate that they are interested in every individual in their staff. Top leaders give a great deal of latitude to their employees on how they do their work, as long as they reach their objectives. By giving a great deal of room for maneuvering, good leaders want to make it as easy as possible for everyone to do their job. By giving a great deal of freedom, leaders show a great amount of trust. Top leaders trust their employees and their professional competences, they trust their high work morale and they trust them reaching their goals. (Rummukainen 2007, 44.)

Leadership is a phenomenon that has been extensively studied. According to Juuti (2013, 25), the leadership studies over the past 100 years have used methods based on the study of natural sciences, creating many theories about leadership. Juuti sees some difficulties in this, because such theories tend to be rather general, or sweeping, by nature. However according to Juuti, leadership research has proven that there is no universal fact about what leadership exactly is. Juuti has also found that the tens of thousands of studies conducted on

leadership have not been able to pinpoint any personal attributes which make a person a good leader. This is difficult for many to grasp, because western culture often identifies leadership with a specific person which easily leads to a conclusion that great men have extraordinary qualities which others do not. (Juuti 2013, 36.)

Literature knows many descriptions for a good leader. Korpelainen (2013, 8) describes the properties of a good leader in the following way: "A good leader can get the right people assigned in the right functions to do the right things correctly at a correct time. He gets those people to develop to be even better at their work, to feel good about their jobs and to enjoy doing their jobs." A good leader also knows humbleness, and appreciates that most people have knowledge about something he does not.

Many other descriptions and lists for the attributes of a good leader can be found. Perkka-Jortikka (2005, 30) lists the following attributes for a good leader: A good leader treats people equally and justly, consistently and reliably, appropriately and with respect. He is a sturdy leader and an emphatic listener. His actions are clear and brave, he explains himself and he keeps people informed. He delegates responsibility and authority. He helps others develop and aims to develop himself. He trusts and understands.

Rummukainen (2007, 12) sees distinct and crystal-clear objectives as the key to a top performance. In her opinion, effective leaders have the skills to split objectives into smaller components and concrete tasks that are easy to grasp. For this to work, Rummukainen (2007, 94) thinks that the leader must first digest and "buy" the objectives himself. When the leader himself gets excited about the objectives and wants to reach them, it is easier for him to explain and justify them to the employees. Rummukainen suggest putting oneself in the employees' position and to think about the reasons that motivate them and make them want to reach the objectives too. Peeling (2003, 62) has come to the same conclusion about the importance of understanding and explaining the goals to the employees. According to Peeling, a common goal helps people understand what is expected of them. It also helps people see that everyone's efforts count.

Juuti (2013, 26) has discovered that leadership is not dependent solely on any personal attributes. Sydänmaalakka (2009, 165) agrees with Juuti's view. According to Sydänmaalakka, having a certain type of personality is not enough to make one a good leader. Instead of personal attributes, factors like motivation and interaction skills are much more essential to succeeding as a leader. In other words, every leader brings his personal qualities along in leadership, but their success is not dependent solely on those qualities. (Juuti 2013, 36.) Perka-Jortikka (2005, 5) also recognizes the importance of interaction in succeeding as a leader, and she also sees personal strengths as tools a leader can use for winning people's hearts in order to reach common goals. Johnsson (1989, 54) has found that some people have personal gifts for leadership, but also agrees that personal gifts are not all that is needed, and that leadership requires development. The majority of the data used in this research describes the properties of a good leader as a listing of *what good leaders do or how good leaders act* instead of *what good leaders are* or *what personal properties good leaders have*.

According to Juuti (2013, 37) anyone can succeed as a leader, regardless of his personal properties. Rummukainen (2007, 92, 136) has also recognized the possibility to develop one's leadership skills to succeed in leading. Juuti has also found that there is no leadership style that is universally best. This topic has been under discussion a lot, with advocates of each style defending their view. A common understanding among research communities has been later reached, with a rather extensive conclusion of accepting that different methods fit different situations.

As a summary, according to the research data there is no universally one and only catalogue of attributes that make a good and effective leader. Good and effective leadership includes a long list of what a leader can do and an equally long list of ways to do them. There is an established connection between effectiveness and good leadership. Based on the research data, being a good leader and leading effectively, appear to be two sides of the same coin. A good leader can utilize methods like interaction, motivation and creating a pleasant working environment. Effective leadership includes those same three methods and

more. The data used in this research supports the claim that good leaders are in fact leading effectively. A tight list of attributes for good leadership cannot be made based on the research data, but it can be said that the nature of leadership is one of rapid change. The aim for effectiveness requires leadership to be quickly adjustable in order to meet the ever-changing conditions and situations in work life. Good and effective leadership requires a leader and the leadership methods to be flexible.

### **3 GROUNDED THEORY METHODOLOGY**

The Grounded Theory methodology was developed by American sociologists Barney Glaser and Anselm Strauss. In the Grounded Theory methodology, the theory is discovered based on the data that is being studied, instead of previous research. Glaser and Strauss first introduced the Grounded Theory in their publication, *The Discovery of Grounded Theory*, in 1967. They believed that the discovery of theory from data is a working method that fits empirical situations while being understandable to sociologists and laymen alike. Glaser and Strauss also believed that a research methodology such as the Grounded Theory could bring theoretical and empirical research closer to each other. (Glaser & Strauss 1967, renewed 1995, 1; Metsämuuronen 2008, 23.)

The Grounded Theory methodology offers a strong tool for building a theory in a research. It has, however, since its creation been divided into two separate schools. The biggest differences between the two schools are in how the researcher approaches the study and how the data is analyzed. After the publication of *The Discovery of Grounded Theory*, Strauss worked together with Juliet Corbin, further developing Grounded Theory in a way that allowed for the definition of the research problem beforehand. They also acknowledged that the experience and education of the researcher can affect the research process. Glaser did not agree with Strauss's and Corbin's views, but rather insisted that an approach that allows the research problem being defined beforehand is not actual Grounded Theory, and that it produces a forced theory based on pre-assumptions. Glaser would not allow the use of any data or research beforehand, and he has kept the original requirement of inductive approach for developing a theory based on data. Strauss's and Corbin's approach is called inductive-deductive, and Glaser's approach is called inductive. (Rissanen 2011, 21; Siitonen 1999, 28-31; Metsämuuronen 2008, 24.)

#### **3.1 Choosing between two schools**

When familiarizing with the Grounded Theory methodology, it seemed clear from the beginning that Strauss's and Corbin's approach would be chosen for

this study. There were two reasons for this. Strauss's and Corbin's approach allows the research problem to be defined beforehand. The research topic directed the research along with the researcher's observations from past leadership roles in the business world. This would not have been possible if Glaser's approach was chosen. The research questions were detailed during the research process.

The second reason is that Glaser's school allows no foreknowledge to be brought into the research, which would have been difficult considering the education and professional experience of the researcher. The research data was mainly based on literature, articles, research papers and news medias, and it would have been difficult to initiate the data gathering and the research if any foreknowledge was not allowed. Strauss's and Corbin's approach seemed more appropriate because it allows for the researcher to possess information and experience about the research topic.

### **3.2 Basic principles**

Grounded Theory is classified as a qualitative research method. Grounded Theory is also described as a research approach method. (Hirsjärvi, Remes & Sajavaara 2007, 158-159.) The basic principles of Grounded Theory include research data collection, coding, identifying categories, information saturation of the categories and theory building (Metsämuuronen 2008, 26).

Strauss and Corbin (1990, 29) explain the phases of Grounded Theory procedures in depth in their book *Basics of Qualitative Research: Grounded Theory Procedures and Techniques* that was published in 1990. In Grounded Theory, the theory uses concepts. Similar data found in the research material are grouped and given conceptual labels. Giving conceptual labels means that interpretations are placed on the data. Concepts are then related by means of statements of relationships. According to Strauss and Corbin (1990, 74) concepts are the building blocks of theory.

The research data must be coded and categorized (Rissanen 2011, 22). Coding means the process of analyzing data. It represents the operations by which the

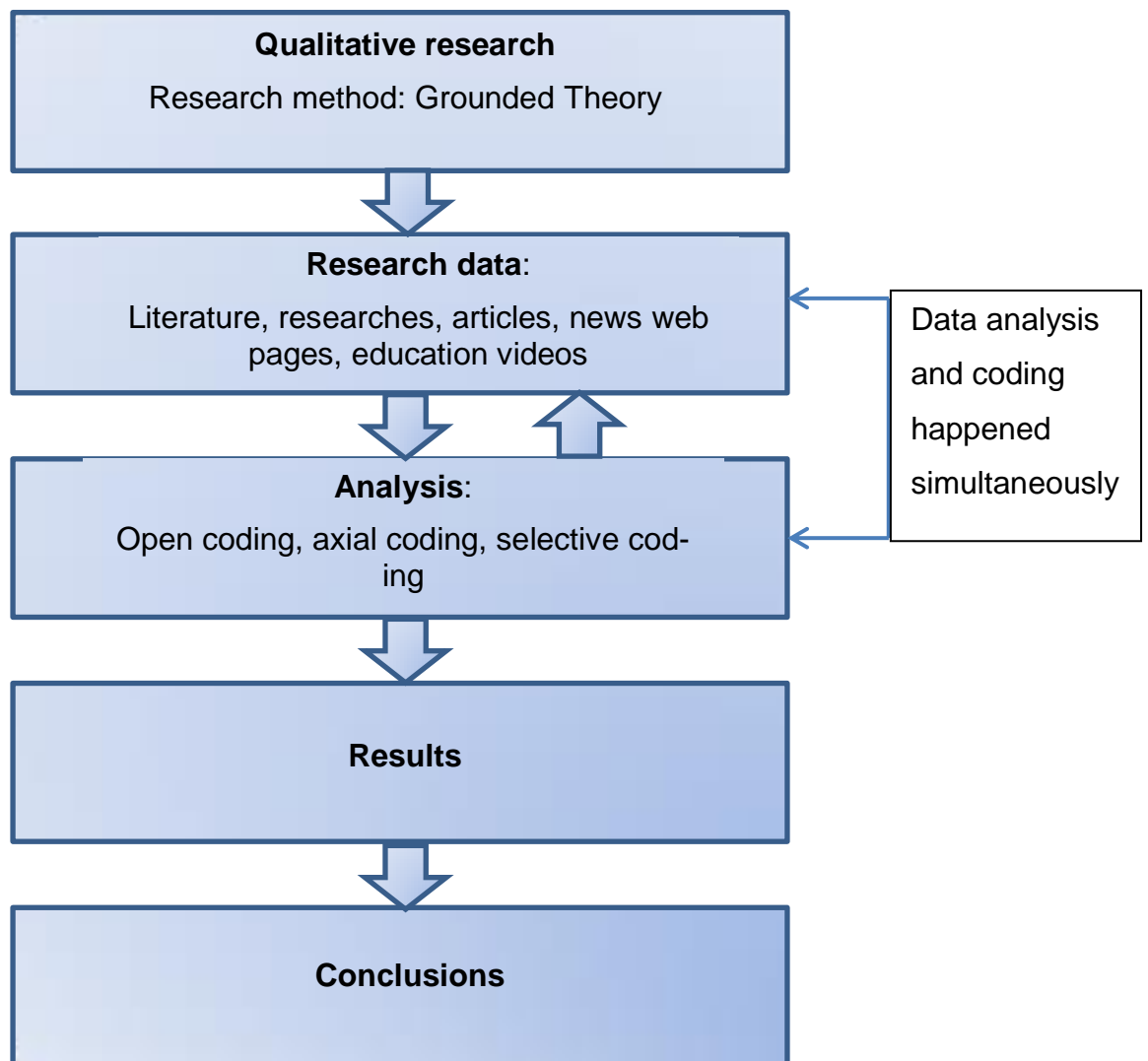
data is broken down, conceptualized and then reassembled in new ways. According to Strauss and Corbin (1990, 57), coding is a central process by which theories are built from the data. There are three types of coding: Open coding, axial coding and selective coding. These types of coding are not necessarily done sequentially. A researcher can move from one form of coding to another quickly and even without self-consciousness.

Open coding is a process of breaking down the research data, examining and comparing it, conceptualizing and then categorizing it. Concepts are identified and developed in terms of their properties and dimensions. Categorizing means classification of the concepts. Concepts are compared one against another, and when concepts appear to pertain to a similar phenomenon, they are placed under the same category. The categories should be named by the researcher. The name of a category should be abstract, yet logically related to the data it represents. It is important to recognize the properties and dimensions because they form the basis for making relationships between categories and subcategories, which specify more the found phenomena. (Strauss & Corbin 1990, 57, 58, 61, 67, 69; Rissanen 2011, 23.)

Axial coding is a process where the researcher puts the data back together in new ways after open coding. This is done by finding relations and connections between categories. Axial coding and open coding can alternate, which in this case means that they can be done practically at the same time. (Strauss & Corbin 1990, 96; Rissanen, 2011, 23.)

Axial coding develops the basis for selective coding. Selective coding is a phase where the researcher selects the core category and systematically relates it to other categories and fills in the categories that still need further development. The core category will become the core of the emerging theory, and it will guide the further collection and analysis of data. The core category can be perceived also as the main theme of the research data. The research process of this study is illustrated in figure 1. (Strauss & Corbin 1990, 117, 142; Glaser & Strauss 1967, 40; Metsämuuronen 2008, 27.)





*FIGURE 1: Research path. Source: Interactive leadership communication – space of information sharing (Rissanen 2011, 27), modified by Vaari, A., 2015*

Gathering the research data can happen in many ways in Grounded Theory. The methods can include, for example, interviews, focus groups, literature, visual media, art, diaries and memos. When starting the data gathering, it is not clear how much data is enough. This is determined by saturation. (Latvala 2013, 52.)

Saturation is a method for defining the sufficiency of the research material, or data. According to Tuomi and Sarajärvi (2009, 87) saturation means a situation when the data from the research material starts to repeat itself, and no new in-

formation is discovered anymore. For Grounded Theory, according to Metsämuuronen, this means that no new categories are found anymore. Strauss and Corbin go a little further in defining what saturation means in terms of Grounded Theory. According to Strauss and Corbin, theoretical saturation is reached when no new or relevant data is anymore emerging regarding a category, the category development is dense, and the relationships between categories are well established and validated. (Metsämuuronen 2008, 28; Strauss & Corbin 1990, 188.)

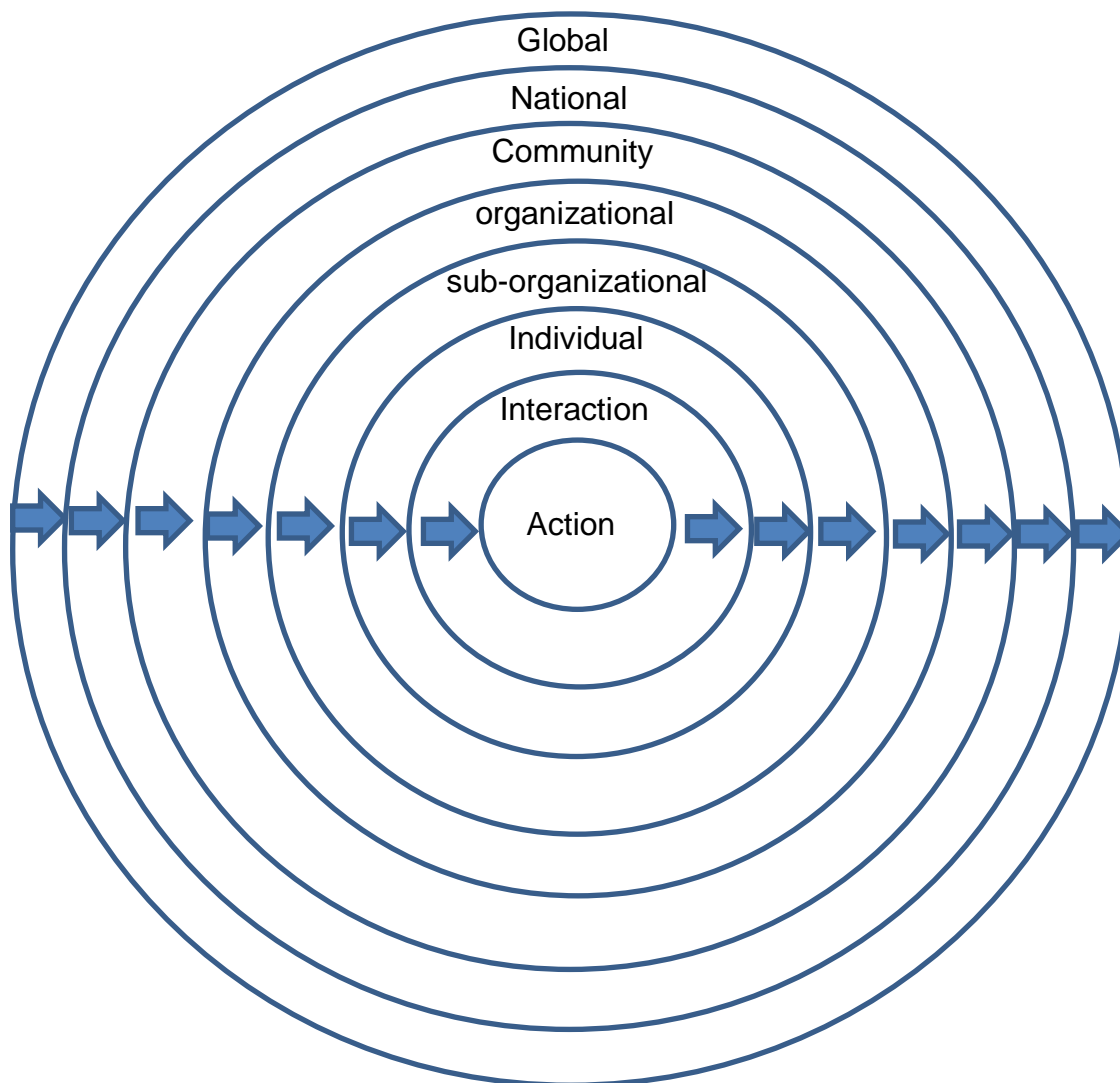
Strauss and Corbin have included conditional matrix to the Grounded Theory, which was not present when The Discovery of Grounded Theory was published by Glaser and Strauss in 1967. Later they changed the conditional matrix to conditional and consequential matrix. The conditional matrix is an analytical aid for studying phenomena in relation to micro and macro conditions. (www.groundedtheoryreview.com, cited 15.7.2015; Strauss & Corbin 1990, 158-164.)

The matrix can be illustrated as a set of circles inside one another (figure 2). Strauss and Corbin have created a diagram (Strauss & Corbin, 1990, 163) that illustrates the conditional matrix. For the use of the conditional matrix, the researcher should fill in the specific conditional features for each level that pertain to the chosen area of investigation.

Each level of circles corresponds to different aspects or levels of the world around us. The outer circles illustrate conditions and environments that grow further from the individual point of view, with the outmost circle as wide-ranging as international or global level. The inner circles can be seen as being closest to an individual with the phenomena under study being located in the inmost circle.

**International** level includes items such as politics, culture, values, economics and history. One level down is the **national** level with features such as national politics, national culture, national values, national economics and national history. One level down is the **community** level, again including same items but as they pertain to the community. Further inward are the **organizational** and **institutional** levels, followed by **sub-organizational** and **sub-institutional level**.

Strauss and Corbin describe this level as a level that would include the peculiar features of a part of the city or a hospital ward (Strauss & Corbin 1990, 163-164). The next level is the **collective**, **group**, and **individual** level. The one after that is the **interactional** level and finally the inmost level is named **action** in Strauss's and Corbin's diagram. This way the set of circles describes the possibility for the phenomenon being analyzed in relation to varying, micro and macro, conditions. (Strauss & Corbin 1990, 158-164.)



*FIGURE 2: The conditional matrix. Source: The Discovery of Grounded Theory: strategies for qualitative research (Glaser & Strauss, 1999, 163), modified by Vaari, A., 2015*



## 4 FLEXIBILITY IN EFFECTIVE LEADERSHIP

While conducting the research, the process of Grounded Theory was followed. The amount of available information that could be used as research data was enormous. The three types of coding typical for Grounded Theory were used, and as made possible in Grounded Theory, they were conducted partly simultaneously. The data was gathered from a wide range of mainly literature, researches, articles and news medias, with two somewhat separate identifiable entities; information about leadership in general and information about good leaders or good leading. The information produced many new concepts in the beginning of the research, but as the data research continued, same topics started to come up repeatedly across the research data, regardless whether the data was taken from a source focused on leadership in general or good leadership practices.

Four categories were identified in this research: Adapting, Attention to People, Decision-making and Conflict Handling. Selective coding was used in tying the categories together. One common factor, flexibility, was identified for all four categories. Thus, flexibility became the core category in this research. The precondition of naming the conditions with something else than titles that come up in the research data was met on some categories, but categories Conflict Handling and Decision-making were named with general terms because they were seen to be the most explanatory choices.

Attention to People is the category which received perhaps the biggest amount of concepts from the research data. Most of the data used in this research contributed in the emergence of this category. Attention to People was first perceived as two entirely separate, differently named categories: Development and Motivating.

However, when more open coding with more information sources was performed, these two started to intertwine and merge together. Concepts from outside the Development category started to come connected with it, creating a close relation with the Motivating category. While doing analysis of what makes

people want to perform well, the concept of giving attention to people started to come up regularly too. At some point, these relations started to build up so much that it was seen necessary and relevant to join them into one category which was named Attention to People.

The Adapting category was another category which started to emerge at the early phases of the research. Based on the research data, situations where leadership is in play can differ so much from one another that adaptation is necessary on many fronts. One of these fronts where leadership requires adaptation is when intervention is needed in difficult situations. Difficult situations and the actions required by them arose later to be a separate category, called Conflict Handling, by itself.

The fourth category is named Decision-making. It became apparent, that regardless of the person or group making the decision, decision-making is in the heart of leadership. Organizations and leaders can use shared decision-making, or the leader can keep that power himself, but still decision-making is inevitable.

Some of the categories were easy to identify and to saturate due to the abundance of information, causing the data rather soon starting to repeat itself. There were also categories like Attention to People that required the researcher to return back to open coding many times. There were other proposals for categories too, for instance Showing an Example to Others, but they were eventually left out because of them not rising to full saturation. Still, the left-out categories are not necessary irrelevant or extraneous from leadership point of view, they merely did not emerge to be main factors in this research.

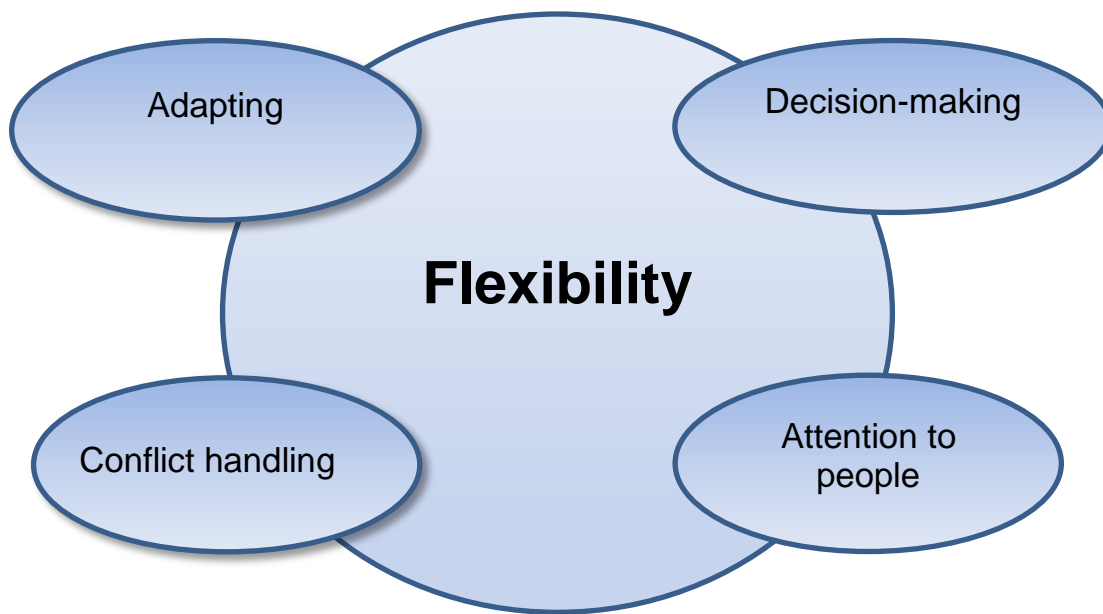
Effective leadership was analyzed using the conditional matrix (figure 3). The researcher modified the matrix for it to be usable in the research. However, effective leadership was studied mainly from micro conditions point of view. This is because majority of the concepts that arose from the research data were very closely linked to the action/interaction and individual levels of the matrix. Therefore, the conditional matrix was not perceived as useful as presumed at the beginning of the research.



*FIGURE 3: Conditions affecting effective leadership. Source: The Discovery of Grounded Theory: strategies for qualitative research (Glaser & Strauss, 1999, 163), modified by Vaari, A., 2015*

The core category, flexibility, emerged quite easily as a common factor between all four categories (figure 4). Flexibility is required when adapting to a situation is done and flexibility is shown when information handling for decision-making is done. When thinking about the changing world and the leadership methods that were standard before, it is obvious that the challenges in work environment and the challenges of changing leadership styles are tightly knit together with a demand for flexibility.

Furthermore, flexibility provides better readiness for intervening in conflicts and other situations that require a leader to change the course of action. It is also an essential part of affecting in a person's motivation, sense of importance and personal development. Flexibility helps a leader function more effectively and in an appropriate manner in different situations.



*FIGURE 4: Categories and the core category*

#### **4.1 Adapting**

According to Oxford Dictionaries web service, Adapting is defined as “making (something) suitable for a new use or purpose” or “become adjusted to new conditions” ([www.oxforddictionaries.com](http://www.oxforddictionaries.com), cited 21.7.2015). During the analysis, there were many references to leader having to choose his methods based on the situation. In other words, a leader should adapt to situation. According to Korpelainen (2013, 66) it is essential to the nature of leadership that there is no leadership style that is best for all situations. There have been proposals and suggestions that a universally best leadership style could be identified, but such claims have been later on proven wrong (Hersey & Blanchard 1990, 97). Different people, different matters, different time and action may require varying approaches by the leader (Korpelainen 2013, 66).

The requirement for situational adapting has been identified by others too. Piili (2006, 96) has found that it is important to adapt one’s behavior depending on the personality traits of others. Hersey and Blanchard (1990, 97) have identified the ability of an effective leader to adapt his leadership style and methods to fit the demands of the situation.



Hersey and Blanchard (1990, 98) see some problems behind leadership theories in general. According to them, all leadership theories are combinations of empirical generalizations and not actual theories which could be tested. Leadership theories, according to Hersey and Blanchard, are not really theories, but concept descriptions, procedures, methods, actions and existing results. Leadership is by nature a situational phenomenon and therefore there cannot be only one correct leadership style for all situations.

The situational leadership model was originally developed by Paul Hersey and Kenneth Blanchard in the late 1960's. According to Watkins (2015, cited 15.6.2015), the essential core of the situational leadership model is that the leadership method that is employed should depend on the situation. Situational leadership offers the means to focus on the key questions, and to do so rationally, while examining problems in performance (Hersey & Blanchard 1990, 2). According to situational leadership model, before a leadership style is selected for use, the situation and the possible outcomes must be understood. (Watkins, cited 15.6.2015.)

Today, the situational nature of leadership and the situational leadership model are widely identified and recognized concepts. According to Sydänmaalakka (2009, 35), situational leadership model has been the most widely valued leadership model during the past decades. The situational leadership model was referred to in many information sources when going through the research data and performing open coding. The situational nature of leadership was a default assumption and built-in in sources across the research data. This research follows closely the concepts and terms presented by Hersey and Blanchard in their publication *Management of Organizational Behavior* mainly for two reasons.

Firstly, the majority of the sources discussing situational approach in more depth were in fact referring to Hersey's and Blanchard's publication, terms and concepts. Secondly, in this research, the researcher aimed to avoid the distortion of the found principal concepts. Besides Hersey's and Blanchard's work, complementing sources are used whenever necessary to further establish and explain each concept presented in this study.

According to Hersey and Blanchard (1990, 5) there are three general competencies in leadership and influencing others: Diagnosing, adapting and communication. The competence of diagnosing stands for the ability to understand the situation one is trying to affect. The competence of adapting stands for the ability to change one's behavior and other disposable resources in order to face the requirements of the situation at hand. The competence of communication stands for the ability to communicate in a way that is easily understood and accepted by others. (Hersey & Blanchard 1990, 5.)

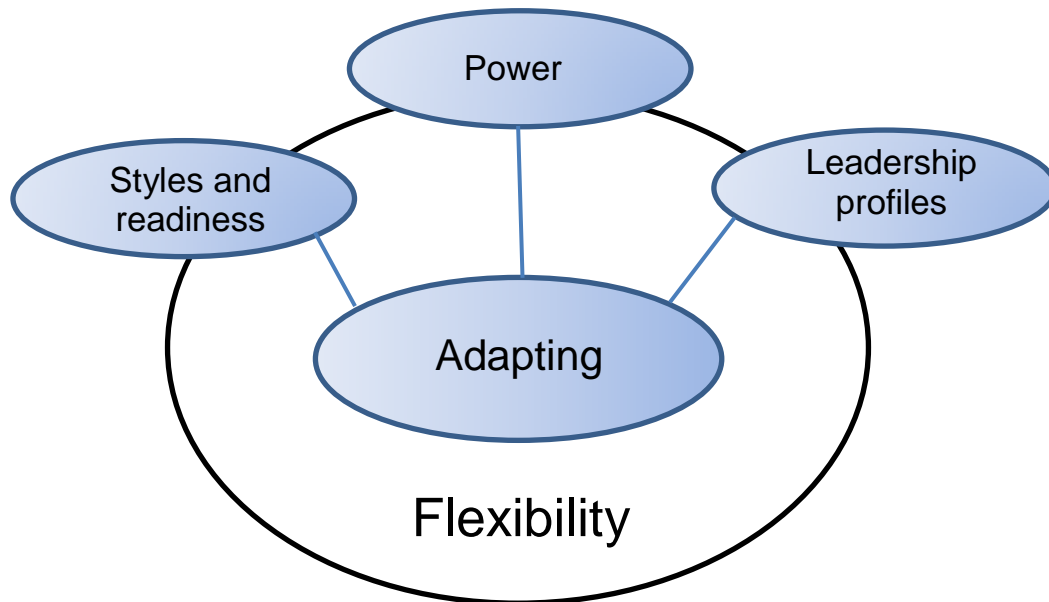
Hersey & Blanchard (1990, 7) believe there are three generally accepted areas that having the skills for is essentially related to successfully acting as a manager: technical skills, human related skills and conception skills. From these three skills, the significance of the human related skills is above the others. Hersey and Blanchard (1990, 8) quote John R. Rockefeller saying "I would pay more for the skill of getting along with people than for any other skill under the sun". Lundberg and Berggren (2010, 214) describe the skills to interact with other people as interpersonal intelligence. A person who has interpersonal intelligence understands the intentions and thinking processes of others and grasps what it takes to be likable. He also realizes how to affect others with thoughts and ideas. Lundberg and Berggren share the opinion of interpersonal intelligence, or human related skills, being perhaps the most important skills a leader can have.

If a leader wants to get tasks done by people, it is important for him to understand why people behave the way they do. Studying the past behavior of a person can be helpful in achieving that understanding. While important, understanding the past behavior alone is not enough. If a person is going to lead others, he must understand and learn to predict the future behavior of others. (Hersey & Blanchard 1990, 11-12.) According to Kostamo (2004, 39) "leading is influencing to people in order to achieve the goals of the organization". When aiming to influence other people's behavior, understanding what motivates them and how they react on attempts to lead and guide their behavior is necessary. (Hersey & Blanchard 1990, 12.)

According to Hersey & Blanchard (1990, 97), successful and effective leaders can adjust their leadership style to fit the demands of the situation. The reason for the absence of one universally best leadership style is that leadership by its nature is dependent on the situation. In addition to having the diagnostic ability to identify the best suited management style for each situation, effective managers have the ability to apply it in practice.

In situational leadership, the main focus is on the observed behavior and not so much on the presumed inherent, obtained or potential skills related to leadership. In other words, the focus is put on how the manager and the group members behave in different situations. The significance a leader's behavior has for his organization cannot be evaluated without noting the situation in which the behavior came out. There exist three important factors in leadership: the leader, the subordinate and the situation. In the situational approach to leadership, the interaction of these factors is studied. The same form of leadership does not fit all employees. (Hersey & Blanchard 1990, 101-102; Korpelainen 2013, 62.)

The subcategories of Adapting that emerged from the research data are Styles and readiness, Power and Leadership profiles (figure 5). They are all tied together by Flexibility. The subcategories focus more in depth on the different aspects of adapting.



*FIGURE 5: Adapting category and subcategories*

#### **4.1.1 Styles and readiness**

According to Chen and Silverthorne (2005, 280) there is a well-established connection between leadership style and job performance, satisfaction, stress and turnover intention. When a leadership style is suitable for the situation at hand it is called effective, and when it is unsuitable it is called ineffective. Therefore, because the effectiveness of the leadership style is dependent on the situation, any style can in fact be effective or ineffective, depending on the situation. (Hersey & Blanchard 1990, 114.) Also, according to Hersey and Blanchard, the difference between an effective and an ineffective style is not caused by the behavior of the manager, but instead how well they are suited for the situation.

There are four basic leadership styles generally related with situational leadership. Chen and Silverthorne have established that leaders who want the best results should not rely only on one leadership style (Chen & Silverthorne 2005, 280). The characteristics of those four styles are described in figure 6.

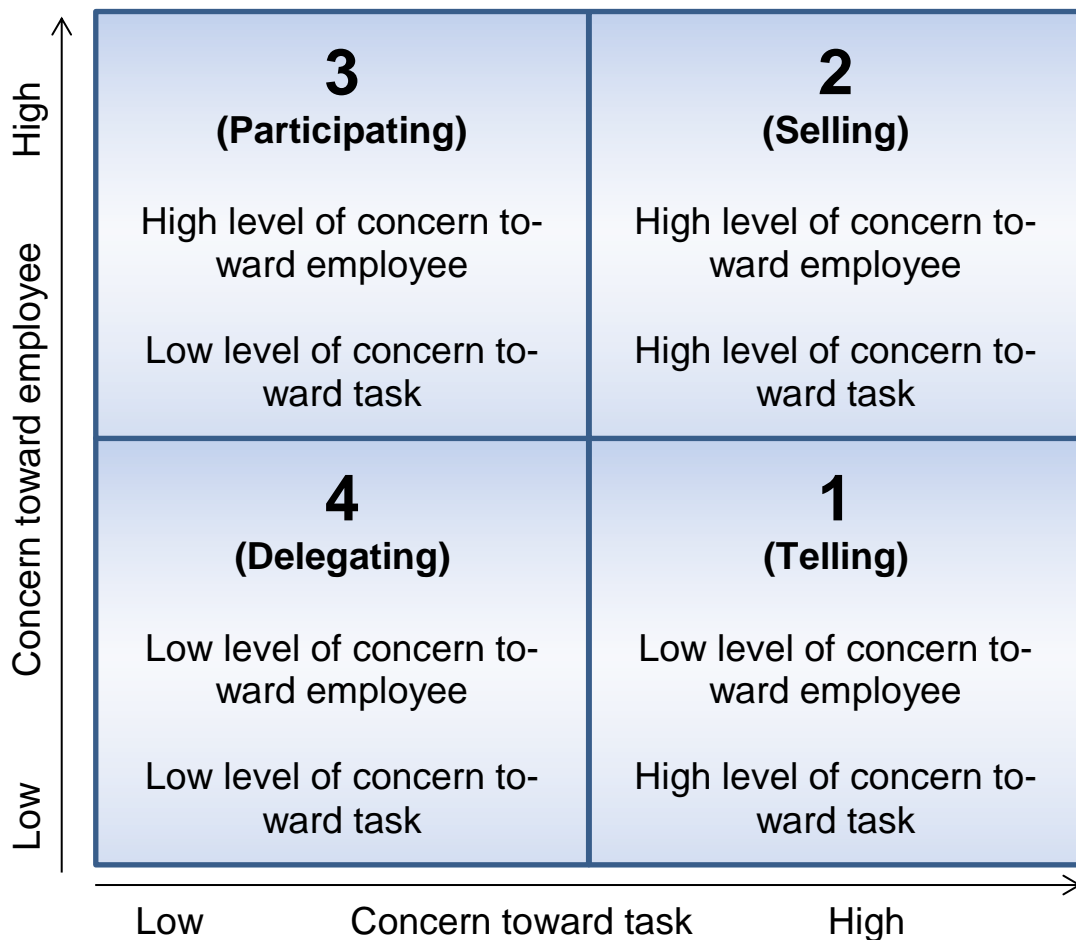


FIGURE 6: Characteristics of the four basic leadership styles. Source: Tilannejohtaminen (Hersey & Blanchard 1990, 276), modified by Vaari, A., 2015

Style 1, or Telling, is characterized mainly by one-way communication from the leader to an individual or a group. The leader gives precise instructions and oversees the execution of those instructions (Hersey & Blanchard 1990, 164). This style can be utilized for example when specific knowledge and experience is needed turn over a difficult situation. For instance, an experienced manager is brought in to develop a marketing strategy for a struggling company. A directing-type manager establishes clear goals and objectives and oversees the work. According to Korpelainen (2013, 76) this style is very task oriented. This style is also called Directing. (<http://smallbusiness.chron.com>, cited Jul 28, 2015.)

Style 2, or Selling, is characterized by directions and support. The leader gives precise instructions and explains his decisions while providing an opportunity for further clarification by two-way communication. (Hersey & Blanchard 1990,

164.) Selling holds a great deal of hands-on involvement in an employee's work and is often beneficial when the employee displays a weakness that must be improved. For this to be possible, the employee must both acknowledge the weakness and indicate a desire to improve. According to Korpelainen (2013, 78) it is typical for an employee to already have some experience in his work for this style to be determined the most effective. This style is also called Coaching. (<http://smallbusiness.chron.com>, Jul 28, 2015.)

Style 3, or Participating, is characterized by shared decision-making. The leader supports people's efforts toward task accomplishment and shares the responsibility of decision-making with them (Hersey & Blanchard 1990, 164). The leader attempts to boost the employees' self-confidence in order for them to become more self-sufficient and more productive. This style is also called Supporting. (<http://smallbusiness.chron.com>, Jul 28, 2015.)

Style 4, or Delegating, is characterized by the leader giving the responsibility of making decisions and executing them to others (Hersey & Blanchard 1990, 164). This style works best with an experienced staff, allowing for the leader to provide guidance if requested so by the employees. Delegating style allows for the maximum creativity in how the employees choose to function in accomplishing a task. (<http://smallbusiness.chron.com>, Jul 28, 2015.)

Before the best fitted leadership style can be applied, it must first be identified. According to the Hersey and Blanchard (1990, 167), the determining factor on what leadership style should be used is the level of readiness of the people one wants to influence. Readiness is defined as a level at which the subordinate is able and willing to complete a given assignment. Ruohotie and Honka (2002, 33) also identify readiness as a factor in a person's work contribution. Korpelainen (2013, 67) has come to the same conclusion, and believes that a good leader can identify the readiness of a person. Luo and Liu (2014, 1726) have found a connection between effective leadership and employee readiness. According to Luo and Liu, in order to achieve effective leadership, a leader must match his leadership style to the employees' readiness successfully.

The task at hand usually has an effect on a person's level of readiness. Readiness is not a personal attribute. Readiness answers to a question of "how ready is a person to complete the task assigned to him". Korpelainen (2013, 76) describes readiness as a measure of how ready a person is to be led by someone. A person may have high readiness to complete a certain task, but low readiness to complete a different kind of task. (Hersey & Blanchard 1988, 167-168; Ruohotie & Honka 2002, 33.)

The readiness of a person can be split into two factors, the ability and the willingness. Ability means knowledge, experience and skill a person has for a certain task or function. Willingness means the amount of confidence, commitment and motivation a person has for a certain task. (Hersey & Blanchard 1990, 167.) Chen and Silverthorne (2005, 286) have found that ability and willingness affect each other. According to Chen and Silverthorne, a significant change in one can affect the other. If a person is brought in to do a task he has a great deal of experience and skills for, it can affect his confidence in a positive manner. Hersey and Blanchard (1990, 169) present four levels of readiness a person can have.

Readiness level 1 means that the person is unable, and is either unwilling or uncertain. Readiness level 2 means that the person is unable, and is either willing or has self-confidence. Readiness level 3 means that the person is able, but unwilling or uncertain of himself. Readiness level 4 means that the person is able, and is willing or has self-confidence.

The first level is categorized as low readiness, levels two and three as moderate readiness and level four as high readiness. The categorization is illustrated in figure 7.

## FOLLOWER READINESS

HIGH	MODERATE		LOW
R4	R3	R2	R1
Able and willing or confident	Able but unwilling or insecure	Unable but willing or confident	Unable and unwilling or insecure

*FIGURE 7: Levels of readiness. Source: Tilannejohtaminen (Hersey & Blanchard 1990, 228), modified by Vaari, A., 2015*

### Choosing the leadership style

The key to effective leadership is to recognize the level of readiness of the person or the group to which one wants to influence. When the level of readiness is clear, the appropriate leadership style is carried out. (Hersey & Blanchard 1990, 176.)

When the level of readiness of a person or a group is low, a good deal of guidance and instructions are needed. In practice, the subordinate or subordinates are told what to do. Thus the best suited leadership style for someone with low readiness is Telling. With a person or a group on the second level or readiness, the fitting leadership style is Selling. Typically a person on a readiness level two is still lacking in know-how but he is either trying or he has self-confidence. (Hersey & Blanchard 1990, 170.) These two lower levels of readiness require more focus on decision-making and instructions from the leader than the two higher levels of readiness. (Hersey & Blanchard 1990, 164.)

The third level of readiness is a level where the leader can lessen his concentration on the task at hand but still have a high concentration on the support for the person, thus making Participating the best fitted style. The fourth level of readiness is matched with Delegating leadership style. When a person is on the highest level of readiness, he is experienced, willing and self-confident in carrying out his tasks. A leader can delegate tasks for someone on the fourth level of

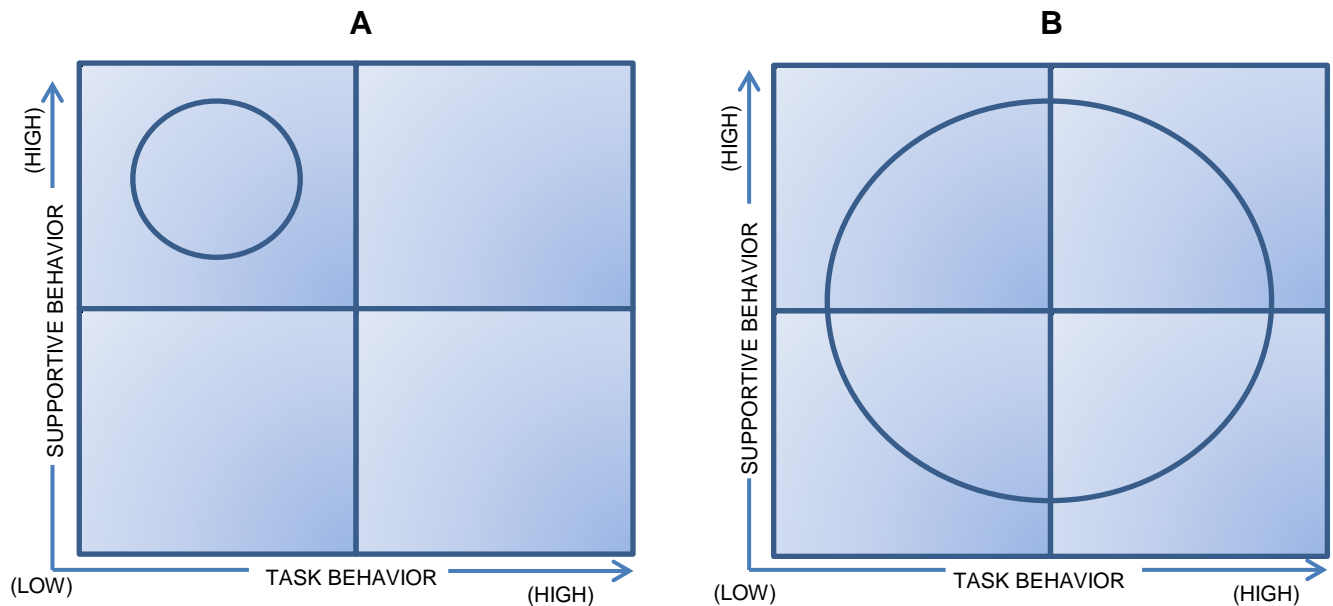


readiness and keep to observing and monitoring the work. (Hersey & Blanchard 1990, 171-172.)

It is impossible to determine in advance, how one should lead in every situation (Kostamo 2004, 42). A leader may need to change their leadership style back and forth. Leaders can help their employees develop their potential to the maximum by altering their own leadership style. According to Hersey and Blanchard, changing the leadership style can become necessary when there is a change in the employee's level of readiness. Being able to change the leadership style requires a leader to be flexible. (Hersey and Blanchard 1990, 160.)

Hersey and Blanchard have spent a great deal of time studying leadership behavior and have noticed that most leaders have a primary leadership style and a secondary leadership style. The primary leadership style is defined as a behavioral model that is used the most when trying to influence others, and most leaders seem to have a style that is their favorite. According to Hersey and Blanchard (1990, 261) every leader has a primary leadership style but not necessary any secondary style. Furthermore, some leaders may have as many as three secondary styles, making them able to use every one of the four recognized basic leadership styles.

The ability to change one's leadership style defines the leader's style range. According to Hersey and Blanchard (1990, 261) the more leadership styles a leader can utilize the wider his style range is. The more styles a leader has in his style range, the more flexible he is in different leadership situations and the more potential he has for being effective. The link between leadership styles and style range is illustrated in figure 8. Side A depicts a leader with the capability of using only one style, and thus having a narrow style range. Side B depicts a leader with the capability of changing between four styles and thus having a wide style range.



*FIGURE 8: Style range. Source: Tilannejohtaminen (Hersey & Blanchard 1990, 262), modified by Vaari, A., 2015*

According to Hersey and Blanchard (1990, 208) the level of readiness a person has can change. The correct use of a suitable leadership style can help an employee to rise to a higher level of readiness. Hersey and Blanchard (1990, 240) point out that it is also possible for a person to revert to a lower level of readiness, and it is often the result of something else competing for the person's attention. In other words, there are another goals competing with the goals of the organization. These competing goals are now causing strong enough needs in a person that they are competing with the needs caused by his professional goals. In this situation it is necessary for the leader to change his leadership style in order to correct the drop in the employee's level of readiness and to remain the person's productivity.

#### **4.1.2 Power**

As stated earlier in chapter 2, leadership is defined as a process of influence, where someone is aiming to influence to the behavior of another person or a group. Influencing is achieved through power. Power provides the possibility to influence, and power is a resource with which it is easier for a leader to gain the consent and commitment of others. Jalava (2001, 29) has identified power as

an important concept in a work community, because in the absence of power, the structures and actions of an organization would be inadequate. Jalava sees power as a phenomenon that is difficult to grasp, but one that leaders deal with daily. (Hersey & Blanchard 1990, 194; Jalava 2001, 29.)

One of the distinct characteristics of leadership is the fact that leaders utilize power. Hersey and Blanchard (1990, 196) discuss a concept of perceiving power as legitimate or personal. People who have an organizational position and can through that position assign tasks to people can be said to have legitimate power. People who obtain power from their followers or subordinates can be said to have personal power.

It is possible for a person to have both. Where legitimate power means being able to discharge the power obtained with a title or a job, personal power means the amount of respect, likability and commitment one gets from one's subordinates. The employees seeing their goals fulfilled through the fulfillment of their manager's goals strengthens the manager's personal power. In short, personal power means how strongly people are willing to follow their leader. Legitimate power is a sum of how much the leader can reward, punish and give sanctions to employees. Legitimate power is given from above. (Hersey & Blanchard 1988, 196-198; Jalava 2001, 32-33.)

Although the concepts of legitimate power and personal power are important and useful, they are limited in illustrating the nature of power. Social Psychologists John French and Bertram Raven have developed a model of classification for power that includes five separate and distinct forms of power. (Jalava 2001, 33.) This classification model is not the only one created but according to Hersey and Blanchard (1990, 199) French and Raven's model is perhaps the most commonly accepted one. Raven later identified a sixth basis of power, the connection power, with social psychologist Aria Kruglanski. A seventh basis of power, the information power, was again later identified by Hersey and Blanchard (Hersey & Blanchard, 1990, 199).

The concept of empowerment was also found in the research data, but it did not emerge among the main concepts in this research. Empowerment can be un-

derstood as decentralization of power, or division of power. Excluding empowerment from this research does not mean that it is of no importance. The research data and open coding performed was not able to saturate it for it to be included as a sub-category, and hence it was left out of this study.

### **Multifaceted nature of power**

The seven bases of power are Coercive power, Connection power, Reward power, Legitimate power, Referent power, Information power and Expert power (Hersey & Blanchard 1990, 200). Because of the several distinctions of power, leaders have a diverse range of means for influencing others (Jalava 2001, 33). Because of this multidimensional nature, it has been studied whether the best type of power can be recognized. Although power based on legitimacy and organizational position seems to be the most important reason for personal adjustment, and although both expert power and personal power correlate strongly with how satisfied the employees are and how well they perform, a best base of power cannot be identified. (Hersey & Blanchard 1990, 205-206.)

Leaders may have need for several different basis of power, again depending on the situation. Furthermore, there seems to be a direct dependency between the level of readiness of a person or group, and the base of power with the highest probability for success in activating the employees in a desired manner. Regardless of the power base that is chosen for any situation, power must be used with care. Ill-advised use of power can result in opposition and it can hurt the employee commitment. (Hersey & Blanchard 1990, 205-206; Jalava 2001, 32.)

Coercive power is based on the employees knowing that without proper reaction, they may be reprimanded or punished (Jalava 2001, 33). Acting against what is expected can also cause otherwise unpleasant consequences, for example in the form of transfer of work location, transfer to lower level tasks or even layoff. In other words, coercive power means that employees observe and recognize the leader's ability to implement sanctions.

The best fitted leadership style for people on the Readiness Level 1 is Telling (or Directing) and to apply this style, coercive power is often inevitable. The use

of coercive power rules other alternatives out, and even when it results in the desired action, it may have negative side effects. The person who was coerced into doing something may present reduced work satisfaction and he may see himself not responsible for the actions he was coerced into. Coercive power can also cause weakened atmosphere in the office. In general, the use of coercive power should be always considered carefully. (Hersey & Blanchard 1990, 200, 207; Jalava 2001, 34-35.)

Connection power is based on perceived personal relations and the perceived connections with persons of influence in the organization. People with low to moderate level of readiness still need a good deal of Telling (or Directing), but benefit from adding a bit of guidance in the mix. A leader can utilize connection power for example when an employee strives to avoid reprimands and to gain rewards by the influential relationships of the leader. (Hersey & Blanchard 1990, 207.)

Reward power is strengthened when the leader is perceived to have the ability to reward employees in an appropriate manner. People on the level two of readiness, who are unable but willing, will likely try to apply a new way of behaviour if they think that improving is rewarded. The essential factor is that the employees notice that rewards are being used. Rewarding does not have to be anything material, it can also include a transfer to more desirable work tasks. The more the leader utilizes the Reward power, the more power he actually comes to possess. (Hersey & Blanchard 1988, 201; Jalava 2001, 35.)

Legitimate power is based on the position held by the leader (Jalava 2001, 33). People whose readiness is in between levels two and three are strongly affected by the combined elements of Selling and Participating leadership styles. Applying these leadership styles is supported by the use of legitimate power. People with average readiness are often successfully influenced when they notice that the decisions are made by a person in a suitable position. (Hersey & Blanchard 1990, 202, 2007.)

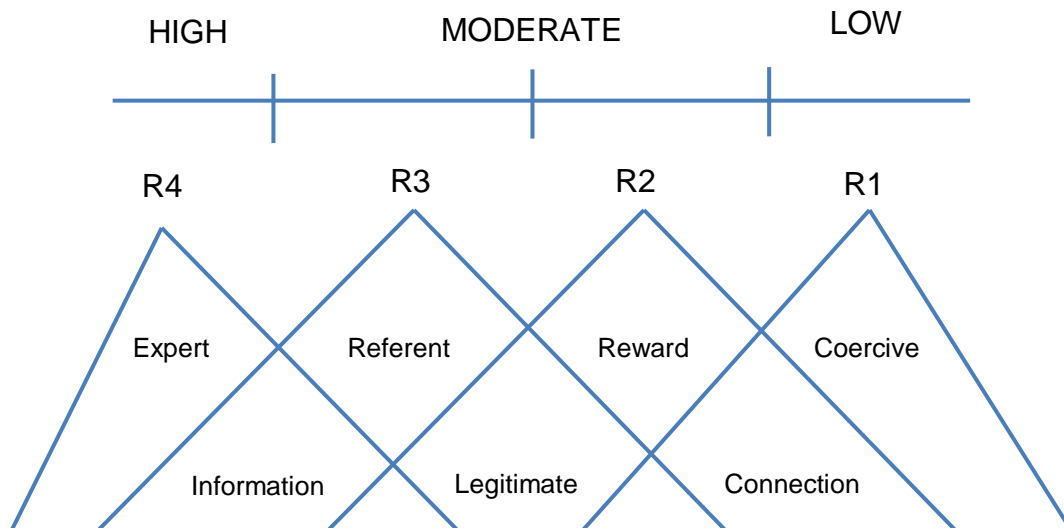
Referent power draws its effects from the personal relationships between the leader and the employees. Referent power is an effective base of power when

leading people who are able but still unwilling or uncertain of themselves. A leader with a good deal of referent power is generally liked by the employees and also often appreciated as a person. People are ready to act the way their leader wants them to, because he is liked and even admired. Referent power can be a very effective base for Participating leadership. (Hersey & Blanchard 1990, 202, 208.)

People with above average readiness are often motivated by Participating and Delegating leadership styles. Power based on information makes it easier to utilize either one of these styles. It is typical for people on Readiness levels three and four to turn to their leader for information in order to maintain or to improve their performance. The employee knowing that his leader is ready to discuss and clarify matters may also help the person develop from moderate to a high level of Readiness. (Hersey & Blanchard 1990, 208.) Information power is based on people knowing they have access to information by turning to their leader (Hersey & Blanchard 1990, 202).

A person already on a high level of Readiness does not require much support or guidance. A person on the Readiness level four is willing and capable to perform the duties assigned to him. The best suited leadership style for this kind of employee is Delegating. When using Delegating leadership style, the leader can gain from the use of Expert power. (Hersey & Blanchard 1990, 209.) According to Juuti (2001, 36), Expert power means that a person observes that it is reasonable to follow another person because of the knowledge and expertise he possesses. Expert power is based on trust.

To summarize, the base of power should be chosen according to the situation. There are several approaches made possible through the use of different kind of power, and a leader should analyze the best use of power bases case by case. The different bases of power needed for influencing people on different levels of readiness are illustrated in figure 9.



*FIGURE 9: The needed bases of power for influencing people on different levels of readiness (Hersey & Blanchard 1990, 209)*

#### 4.1.3 Leadership profiles

According to Hersey and Blanchard (1990, 275), a leadership profile is defined as a combination of leadership styles. Hersey and Blanchard (1990, 160) have executed an extensive study on leaders and their ability to adapt their leadership style in different situations. For their study, Hersey and Blanchard (1988, 260) developed a tool called LEAD (Leader Effectiveness and Adaptability Description). The study uses a LEAD evaluation form that measures a person's leadership style, style range and style adaptability. Because the perception a person has about himself can differ from the view of others, LEAD was further developed to include two forms: LEAD-Self which measures the person's perceptions of himself, and LEAD-Other which measures how the person is perceived by others. LEAD-study can be used in an organization to gather feedback for leaders about how their own view of their leadership style differs from how their employees see it (Hersey & Blanchard 1990, 274).

In their study, Hersey and Blanchard focused on "Two Style Profiles", where the profiles can either include one primary and one secondary leadership style, or one primary style which is in actuality a combination of two styles. In their book "Management of organizational behavior", Hersey and Blanchard (1990, 274)

focus on profiles that were commonly observed in their study of 20 000 leadership situations. They carried out interviews with 2000 people and more detailed interviews with 500 people.

The common leadership profiles and their typical characteristics are shown in the following list.

S1-S3	Profile S1-S3 holds leaders who primarily use styles 1 and 3. Leaders with a style profile S1-S3 tend to categorize others by personal opinion into two classes: lazy and irresponsible who must be coerced, rewarded and punished to make them effective; or creative and self-motivated in need of only socio-emotional support.
S1-S4	Profile S1-S4 holds leaders who primarily use styles 1 and 4. Leaders with S1-S4 profile are effective in intervening in crisis. They also categorize people in two, but do this by their view of the people's competence rather than by personal opinion.
S2-S3	Profile S2-S3 holds leaders who primarily use styles 2 and 3. According to Hersey and Blanchard (1977, 278) this style is the most common one in the U.S. and other countries with high general level of education and wide industrial experience. S2-S3 leaders are generally viewed as effective because the majority of workforce is either in readiness level 2 or 3.
S1-S2	Profile S1-S2 holds leaders who primarily use styles 1 and 2. Profile S1-S2 is usually effective when leading people with low level of readiness. S1-S2 profile leaders are usually uncomfortable if they can't carry out their work using either style 1 or 2. They feel the need for giving guidance and instructions.



S2-S4	<p>Profile S2-S4 holds leaders who primarily use styles 2 and 4. Leaders who have this profile typically feel insecure if they are not able to use a great deal of guidance, and on the other hand create a lot personal relationships in the workplace. Although using leadership style 4, they only rarely find a person they can delegate matters to. The reason for this is that leaders with this profile tend to move from style 2 directly to style 4 and ignore style 3 in between. Using style 3 in between would enforce the employee's view of his leader participating, instead of only leaving him alone with an assignment.</p>
S3-S4	<p>Profile S3-S4 holds leaders who primarily use styles 3 and 4. Leaders with this profile are able to control their amount of socio-emotional support, but feel uncomfortable when they must act task-oriented or give direct guidance to people. This profile works well with people with moderate to high level of readiness, but is not well suited with people in low level of readiness.</p>

Hersey and Blanchard (1990, 284) have come to a conclusion that when looking at an organization and specifically the leadership roles in an organization, it can be said that effective leaders need different leadership profiles depending on the organization level and position they work at. Effective leaders in the lower organization levels tend to represent a leadership profile S1-S2. At the other end of the organization, the top management, leaders usually must be more participating and more delegating. Therefore, in order to successfully rise in the organization, a leader must be able to adopt leadership styles S3 and S4 while also understanding the styles S1 and S2 that work at the lower levels.

According to Hersey and Blanchard (1990, 186) the sooner the employees understand the basics of Situational Leadership Model, the sooner they realize that their own actions have an impact on how they are being led. Sharing the key principles of Situational Leadership Model at a workplace will help people

better understand the expectations towards them, and also help them guide their own behavior. When the principles of Situational Leadership Model are followed at a workplace, the employees have the knowledge that a responsible manner of handling one's tasks allows for more supportive or even delegating behavior from their leader, but unproductive or irresponsible behavior will result in the leader taking more directive and controlling role.

#### **4.1.4 Summary of Adapting category**

As a summary, being able to adapt is crucial for a leader. Today's work environment has changed so much in only a few decades that, past practices are often not fitting anymore. Authoritarian leadership where the leader holds the information, makes the decisions, commands and controls is not suitable anymore for the needs of today's business world, where jobs often require more from the brain and less from the body. Effectiveness cannot be measured anymore as mere amount of activities performed by the laborers. Today's expectations for effectiveness are more complex with many simultaneous factors affecting it. In order to achieve effectiveness in varying situations, a leader must adapt.

Situational leadership model provides a leader with helpful tools for surviving the requirement of adapting. A leader who understands the abilities and the willingness of an employee has the knowledge and the means for gaining the best effectiveness in a given situation. Leadership styles can be picked accordingly and a suitable power base chosen for implementing the appropriate style. Sometimes it may be necessary to change between two or more styles, again depending on the situation.

Every leader following the methods of situational leadership model should understand the basics about how to choose the appropriate leadership style. Grasping the concept of readiness and what affects it are important. Also interpersonal intelligence, also referred to in chapter 4.1 as human related skills, are useful in understanding the behavior of others and thus helping a leader to adjust in a suitable way.

Leadership is influencing, and being able to influence is important for leaders on all organizational levels. Therefore, adapting is important for a leader regardless of his organizational position.

## **4.2 Attention to people**

The research data used in this study provided a large amount of concepts that pointed in the direction of the personnel, or people. Multiple sources covering vastly different topics often had people as the common factor. After first putting together two separate categories with concepts relating to people, it was later decided to combine them. The continuous comparison and data gathering started to saturate the categories in a manner that brought them closer and closer to one another. The category was named Attention to People by the researcher because it reflects the essence of the combining factor of the found concepts.

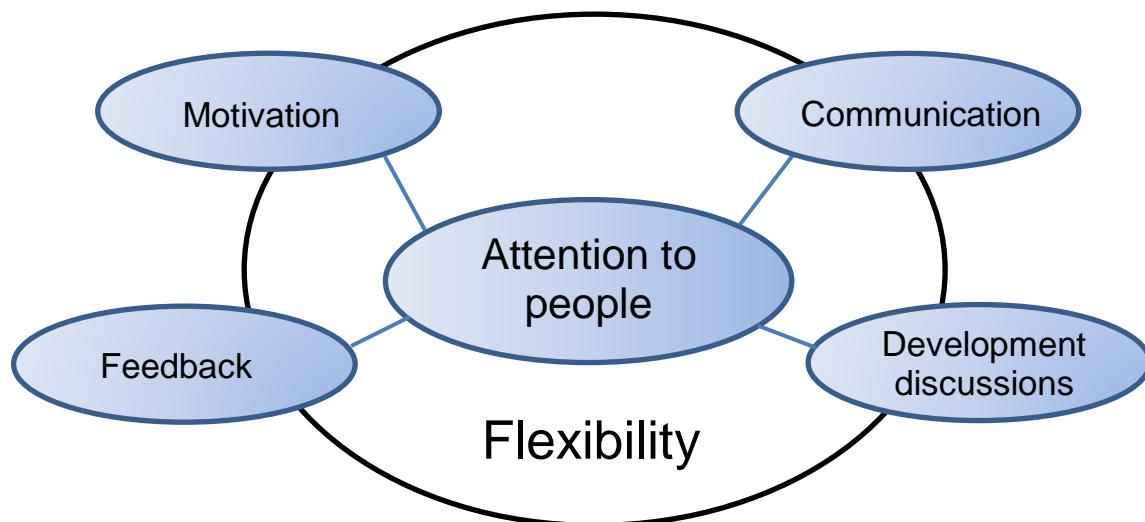
Leadership has been established in chapter 2 as influencing the behavior of others. Besides that, leadership can also be seen as socially integrating activity Jalava (2001, 13). Furthermore, leadership can be seen as acting through others. Jalava has found that when a leader has ten or more employees, his own expertise and his own efforts becomes less relevant. Instead, his ability to support the efforts of his employees becomes crucial. Although a leader is aiming to influence the behavior of his employees in order to achieve the goals of the organization, he should also provide resources and support.

Leader-subordinate -relationship is according to Jalava (2001, 60) one of the basic relationships in a work community, and it is based on interaction. Interaction between a leader and an employee can help the employee succeed better in his job and produce better results. Ristikangas and Ristikangas (2010, 89) have found that a good leader is genuinely interested in his employees. Showing interest has positive effects whereas showing no interest can have negative ones. Showing no interest can cause the employees to lose appreciation and respect for their leader. Korpelainen (2013, 53) has found that people working in an organization that is led in a human oriented way are more satisfied than people working in an organization that is not. According to Korpelainen (2013,

68) 70% of people resigning are doing so because they are not satisfied with their manager.

Leaders have an important role in the development of their subordinates. According to Korpelainen (2013, 132) leaders are expected to help their staff develop themselves. Peeling (2006, 29) also recognizes the need to develop one's subordinates, but he views that from a little different angle. According to Peeling, development of one's subordinates is mostly a task of identifying a correct job that develops them. In addition to helping employees develop themselves, leaders have an important role in developing the work environment. Korpelainen (2013, 261) has found that productivity is best achieved when people want to give their best and aim to enhance the quality of their work.

Four sub-categories were identified for this category (figure 10). Motivation, feedback, development discussions and communication were central topics in the research data. Fifth sub-category named Giving Undivided Attention To Everyone was also formed at first, but was later merged together with communication.



*FIGURE 10: Attention to People category and subcategories*

#### 4.2.1 Motivation

According to Ruohotie and Honka (2002, 13) motivation means a system of factors that activate and guide one's behavior. The word "motivation" originates from a Latin word "movere" which translates to "to move". Furthermore, the root of the word "motivation" is "motive".

Motives are generally related to one's needs, urges, desires and internal incitements, rewards and punishments. A person's willingness to work hard in order to accomplish his objectives is therefore dependent on his level of motivation. Korpelainen describes motivation as the driving force that makes us pursue our goals (Korpelainen 2013, 92). Motivation is a complicated phenomenon with a good deal of variables affecting it. Piili (2006, 46) has described motivation as both a challenge and an opportunity for a leader. Motivation cannot be measured, and it is often difficult to deduce by one's behavior because a single action can express a variety of motives. In reverse, it can also be said that a variety of actions can express several similar kinds of motives. (Ruohotie & Honka 2002, 15.)

Rummukainen (2007, 94) pointed out the importance of finding out what motivates people. Kostamo (2004, 229) has similar views. According to him there are three important themes to motivating people: the importance of understanding why something is done, the importance of enthusiasm and the importance of being able to utilize and to develop one's skills.

Kostamo believes that everyone wants to understand the purpose of one's job. He views that as the minimum requirement for being motivated. The second theme, the importance of enthusiasm, can be addressed by making it possible for a person to achieve something special. In Kostamo's opinion, adding a significant reward of some kind can further feed enthusiasm. Hersey and Blanchard (1990, 201) also recognize the possible positive effect of using a reward, but also continue in saying that a reward does not have to be anything material, but perhaps a chance to be allocated to more interesting work assignments.

The third theme from Kostamo, the importance of being able to utilize and to develop one's skills is a global challenge. The competition in the business world forces leaders to seek all possible ways of survival and success. Efforts are made to help every employee use all their best skills in their work. The past habit of only the leaders possessing the information of what must be done is not viable anymore.

Kostamo uses the Winter War between Finland and Russia as a prime example of releasing people's skills and resourcefulness. Finnish troops had the utmost motivation to defend their country and way of life, and they were able to capitalize on their skills in skiing, orienteering, survival and hunting. Home-made petrol bombs, or Molotov Cocktails, were made and ingenious encirclements of the enemy were executed. In present life, the current coaching systems of athletes can be viewed as examples of skill-searching and putting those skills to use. (Kostamo 2004, 230-231.)

### **Motivation process**

In order for a leader to influence the behavior of his subordinates, he must first understand the motives and needs that are currently the most important for them. (Ruohotie & Honka 2002, 21.) For a leader to understand a subordinate's work behavior, he must understand the factors behind work motivation. Piili (2006, 49) has similar views, and she too recognizes the fact that individual circumstances must be taken into account when aiming to affect people's motivation.

According to Ruohotie and Honka (2002, 19) the factors affecting the motivation process can be categorized in three classes: Needs, Incentives and Expectations. Ruohonen and Honka define need as an internal state of unbalance that makes a person act in order to gain balance. Variations in a person's feeling of need can dictate how much he wants to try and how hardly he wants to succeed.

Ruohonen and Honka divide needs into three types; needs of growth, needs of relatedness and needs of existence. This classification is also known as the ERG theory ([www.netmba.com](http://www.netmba.com), cited 25.6.2015). Needs of growth are needs

tightly related to the person's own self, for instance the need to express oneself or the need for independence. The needs of relatedness include needs that are associated with the relations between the person himself and the people he views as significant. The needs of existence include needs that are immediate for survival and life, for example the need to feed or to drink.

According to the ERG theory, managers must understand that there may be multiple needs that an employee must satisfy simultaneously. Also, when not being provided with growth opportunities, employees may regress. This type of situation is important to be recognized, so that corrective steps can be taken. (www.netmba.com, cited 25.6.2015.)

The needs of a person can change. Because of the differences in people's needs, different people react differently to the same incentives. For instance where someone may work in order to gain social value because of their job, someone else may work in a socially valued job only for the sake of money. Needs can however be affected by using incentives, and when a specific need is satisfied, a person can focus his interest in satisfying other needs. (Ruohotie & Honka 2002, 21.)

Incentive can be defined as a stimulus that affects the people in an organization. An incentive should always match the employee's needs. Incentive and reward are easily seen as replacements for one another, but Ruohotie and Honka (2002, 22) see a clear difference in them. According to Ruohotie and Honka, an incentive is a forecast of a reward that turns into a reward when it is given to an employee. In other words, incentives let people know that certain behavior will have certain results.

The third factor category according to Ruohotie and Honka's classification is expectations. Expectations mean the perception the employees have on the probability of achieving a reward, or the probability of satisfying a certain need. When the incentives are intriguing and when success in the task is challenging, a person is motivated in doing his job. If the job is too difficult or too easy, motivation will suffer. (Ruohotie & Honka 2002, 23.)

#### 4.2.2 Communication

The importance of communication is paramount. No organization can operate for very long without communication, regardless of the competence of its staff. Communication is one of the most important tools of leadership. Organizational communication should be open in a way that only the most sensitive information is kept from the personnel. One of the most detrimental rules in business life is to share information only on a need to know basis, and shortage of information flow is regarded as one of the most critical problems in an organization. As much as 80% of the problems in an organization can be said to be caused by failures in communication. (Korpelainen 2013, 114-115.)

Åberg (2000, 23) has identified communication as a process with a beginning and an end. According to Åberg, communication is conveying or exchanging messages between a sender and a receiver. Åberg has tied communication closely to allocating resources. Communication is an important phenomenon in for example work distribution, organizing and coordination.

Only a small part of the communication between people consists of the actual meaning of the spoken words. Most scientists agree that non-verbal communication covers 50-97% of all communication between people. This interpretation of non-verbal communication includes our use of voice and body language. The words heard in a face-to-face conversation or over the phone can send a different message from what was intended, if the recipient interprets also the way they are spoken. Emails and text messages can also translate differently to the receiver from what the originator intended, easily causing misunderstandings. (Piili 2006, 74-75.) Korpelainen (2013, 166) has similar concerns and according to him, poor communication causes conflicts.

Salminen (2001, 75) has also discussed the phenomenon of non-verbal communication. According to Salminen, people communicate also through their actions. Salminen has found that the significance of non-verbal communication is not recognized enough in leadership work.

Leadership is identified in Chapter 2 as a process of influencing others for the good of the organization. Salminen (2001, 68) has found that leadership is



communication, and to be able to influence others, a leader must be able to communicate in a way that affects people's behavior. Salminen also emphasizes that in order to influence people's behavior, their thought processes must be influenced first. This can only happen by conveying comprehensible information through communication.

Rummukainen (2007, 34) sees the skill to communicate as one of the characteristics of a top leader. According to Rummukainen, a leader can through communication let his employees know that he cares about them. A leader must be able to listen, and let others know that he is listening, especially when having a direct face-to-face conversation. When having a personal interaction, one must be present physically and mentally. Not concentrating on the other person's message is not only rude, but also wastes time and gives an impression that the other person is not important. According to Rummukainen when the verbal and non-verbal communication are in conflict, people have a tendency to believe the non-verbal one. (Rummukainen 2007, 34.)

According to Salminen (2001, 75) people are usually very capable of interpreting the expressions and actions of others. Salminen also agrees with Piili that in conflicting situations the message sent through non-verbal communication is usually the one that is received.

Often the time spent with people is seen less important than the time spent with tasks when, according to Korpelainen (2013, 18), it should be the other way around. Piili (2006, 72) shares the view of the importance of personal interaction in work life. Interacting with other people is everyday business but still it often proves to be difficult. Rummukainen (2007, 36) emphasizes the importance of giving everyone in the organization their share of undivided attention. Giving everyone undivided attention is, according to Rummukainen, one of the biggest differences between a top leader and an average leader.

According to Rummukainen, methods of guaranteeing undivided attention vary quite a lot between good leaders. Some used pre-agreed development discussions as a placeholder for giving attention, while some used a little time daily for giving their attention to their employees. Whether happening daily, monthly or

more rarely, the key factor in those moments is the absolute and undivided attention of the leader. During those moments, a person is able to talk about his achievements, goals and wishes. When the employees know that such moments take place regularly, they want to invest in them and start to look forward to them.

According to Rummukainen, those moments of undivided attention will make people want to do a good job, so that they are able to discuss and share that with their leader. (Rummukainen 2007, 36-37.) Furthermore, giving undivided attention to employees creates trust (Malik 2002, 127).

Jalava (2001, 62) has discussed the concept of active listening. According to Jalava, active listening is one of the basic elements in a leader-subordinate - relationship. The listener aims to perceive what the talker is thinking and what he is feeling and for what reason. Jalava sees active listening as emphatic.

Active listening is, according to Jalava, not based on the listener agreeing with the talker. The listener values the talker's thoughts and receives the talker's experience about his work. Leading of any kind should be avoided. Active listening expresses the willingness to listen, and sends a message that the listener cares about what is said to him. Besides listening to what the other person has to say, active listening also conveys a message of approving and understanding attitude. (Jalava 2001, 63.)

Lundberg (2003, 4-14) sees leadership done by own example as a good foundation for leadership. A positive and enthusiastic leader spreads enthusiasm around him. Top leaders understand that they are being observed all the time, and that their actions are copied by the employees. How leaders regard different matters affects how the employees regard them. This applies universally to different matters in the office. When a leader does something, it affects how others will do it. When a leader takes something seriously, others will too. (Rummukainen 2007, 66-70.)

### 4.2.3 Feedback

One of the topics that is given a great deal of attention in leadership and management literature is feedback. Feedback can therefore be said to be one of the cornerstones of a manager's toolbox. According to Tanhua (Korpi & Tanhua 2002, 45), an employee has the right to expect constructing and supportive feedback from his manager.

Giving feedback costs nothing (Korpelainen 2013, 103), yet it can motivate and boost a person's performance and energy much more than incentives based on financial benefits. According to the Leicester Learning Institute, feedback provides a valuable role in, for example, enhancing self-esteem, raising morale and improving individual performance (www.le.ac.uk, cited 28.6.2015).

Feedback is a method that gives the employee a chance to know how well he has done his job. It must be given quickly after the completion of a task and it must be detailed enough. Feedback is one of the most effective tools available for a leader (Korpelainen 2013, 51-52). Feedback is a combination of positive and constructive evaluation that must aim for improving the work effort and effectiveness. It is the most effective method for guiding a person into the desired direction. Feedback is not judging. (Korpelainen 2013, 103.)

According to Perkka-Jortikka (2005, 211-215) Feedback is an important factor that guides people's actions and motivates them. Receiving feedback gives the recipient information about the results of his actions and also new ideas for improvement.

Feedback is easily given only for the purpose of pointing out what did not go well, as well as pointing out the shortcomings of employees. According to Tanhua (Korpi & Tanhua 2002, 43) if a person repeatedly receives only such homogenous, error-focused feedback, the self-image of the receiver can start to distort and will become crooked due to feedback only highlighting what is lacking. It will lead to a logical conclusion that "I cannot do anything, I am of no use". Ruohotie and Honka also point out that giving feedback only when something is not going as expected will likely have a negative impact on a person's work morale (Ruohotie & Honka 2002, 51). Feedback should not be targeted at the per-

son's identity, but instead at the task the person did. Any manager giving feedback must consider this because many people have a tendency to relate their identity with the error that is criticized. Because of that, for people who tend to fall to thinking "I made an error so I am stupid", one must consider how the feedback could help the recipient correct his error, while keeping his level of motivation and self-esteem high. (Korpi & Tanhua 2002, 43.)

### **Giving feedback**

Giving feedback must be learned. Anyone giving feedback should know how to give thanks for the task that is done and how to give criticism in a constructive way. That goes for everyone and not solely for managers, because besides managers, also colleagues give feedback to each other. (Perkka-Jortikka 2005, 211.)

According to Korpelainen (2013, 57) people are shy in giving feedback on other people, especially when it comes to their manager. People may fear being put on a black list for criticizing and therefore feedback is not necessarily received even when requested. If a manager does not receive feedback from his team even when feedback is requested, he must accept that the team must first get used to the idea that they are asked for feedback to help their manager learn and improve. Being shy in giving feedback is not a problem solely for subordinates giving feedback to their manager. A timid manager can be afraid to give constructive feedback as well. (Korpelainen 2013, 107.) According to Korpelainen (2013, 107) constructive feedback, regardless of how carefully and correctly given, can always sting a little. People have a tendency to take it personally even when it is pointed only at what the person has done instead of the person himself.

All negative and critical feedback in a work community should be changed into correcting and constructive feedback (Piili 2006, 56). According to Piili (2006, 56), people take judgment as a threat that arises the need for defense. In such a situation it is typical to block the criticism from getting deeper into the consciousness. Learning the ways of good feedback is very important, because according to Perkka-Jortikka (2005, 211) feedback is a communal phenome-

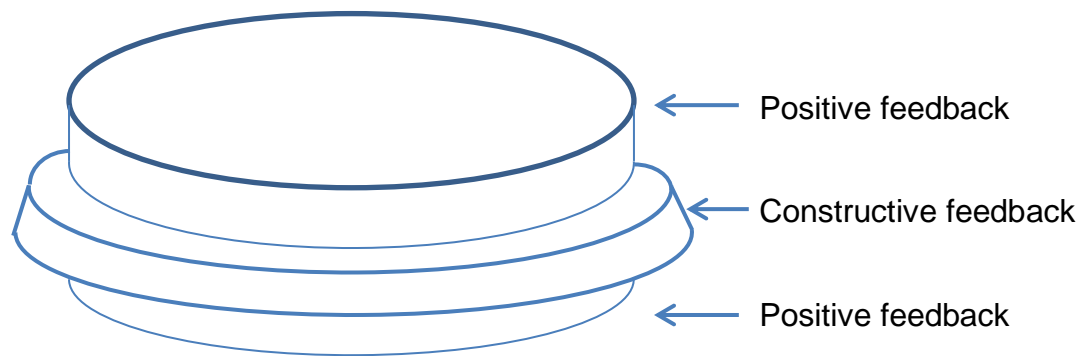
non, and knowing how to give and receive is important to all work communities and all employees.

The motive behind any correcting or constructive feedback should be development and helping the recipient. There is a list by Piili (2006, 57) of a few general points to note when giving correcting feedback that must always be considered. Feedback must be given immediately or as fast as possible after the task that is being reviewed. Feedback is given directly and face to face instead of using a proxy. It must be based on facts and it must be specific. Justification for the feedback must be objective, and the source of information must be shown. Feedback must not be pointed towards anyone's person or character. Feedback must be given one topic at a time. Feedback must not be used to embarrass, nor for revenge of any kind. Good feedback guides, motivates, gives information on the results of someone's actions, gives ideas of development, evaluates methods, corrects errors, changes working methods that are seen negative and develops new products and services (Perkka-Jortikka 2005, 211-212).

Feedback is often misunderstood. In general, receiving any feedback is easier if it is in line with the recipient's expectations. Also positive feedback is noted and remembered better than negative feedback. It is easier to accept the received feedback if it is given by someone the recipient holds in value. (Perkka-Jortikka 2005, 212.)

One commonly used method of giving feedback is the feedback sandwich (figure 11). The feedback sandwich consists of three layers. The sandwich starts with something positive, continues with the improvement idea or constructive criticism, and finishes with something positive. (Korpelainen 2013, 106-107.) According to Tanhua (Korpi & Tanhua 2002, 42) the idea behind the sandwich feedback model is that all three parts of the sandwich are of an equal weight. The positive part in the beginning, the part that is already going well, is as important as the part in the middle where there is still room for improvement. Tanhua also states that there is a big difference in the use of words "but" and "and". If the constructive part of the sandwich is joined to the first positive part with a preposition "but" in between, it tends to undermine the positive message.

According to Tanhua, that does not happen when using “and”. (Korpi & Tanhua 2002, 41-42.)

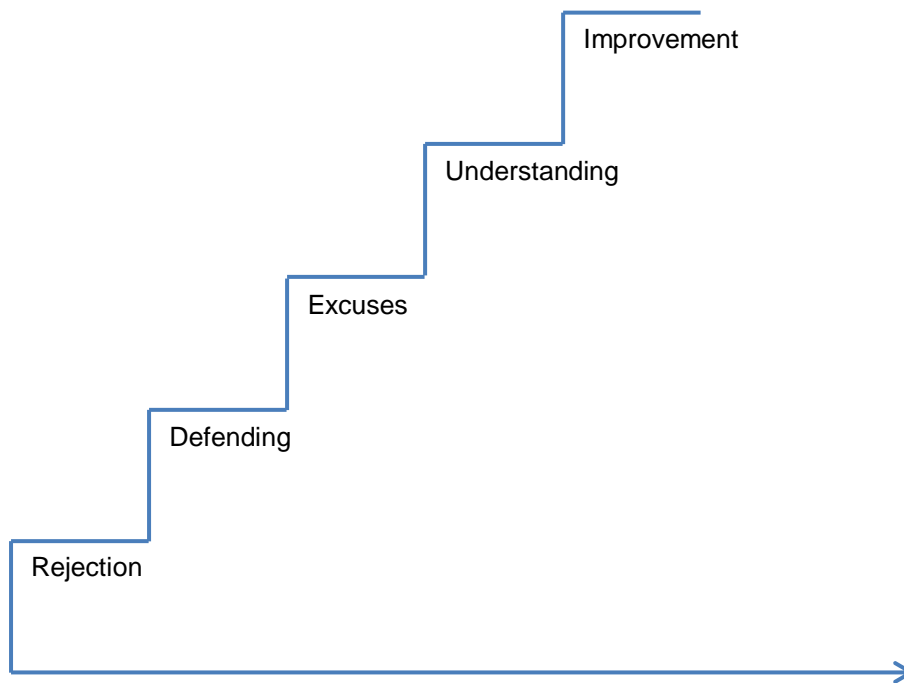


*FIGURE 11: The feedback sandwich. Source: Yhteispeli työelämässä - valmentavalla johtamisella menestykseen (Korpi & Tanhua 2002, 39), modified by Vaari, A., 2015*

The feedback sandwich is not free of all risks though. There is a risk that the recipient focuses most of his attention only on the positive parts and the constructive part of the feedback does not get the intended weight. There is also a chance that in his mind the recipient unintentionally mixes the positive parts and the constructive part. In either case the feedback does not have the desired value in order to change the recipient's behavior. (Piili 2006, 57.)

### **Receiving feedback**

People giving feedback often relate to it differently from the ones receiving it, and there are individual differences to how feedback makes people react (Perkka-Jortikka 2005, 212). However, according to Korpelainen (2013, 108-109), it is possible to separate five phases of receiving and adopting constructive feedback (figure 12).



*FIGURE 12: Phases of receiving constructive feedback. Source: Esimiesbussilla erinomaiseen johtamiseen – euroja hyvästä esimiestyöstä (Korpelainen 2013, 109), modified by Vaari, A., 2015*

Upon receiving constructive feedback the recipient often at first wants to reject it. One does not want to accept constructive feedback because it makes them feel bad. The very next feeling is the desire to defend oneself. It is often easy to come up with reasons why the cause for the constructive feedback was not our doing. The blame can be put on for example the weather, the economic situation, or even the illness of mother-in-law. More excuses will follow the initial defense. After most of the outburst of feelings is set aside, the ability to objective thinking will return, and with it the ability to accept the facts and to see the value in the received feedback. Only then it is possible to make improvement. (Korpelainen 2013, 108-109.)

Receiving constructive feedback is not easy and often not pleasant either. There are some general rules and guidelines written by Piili (2006, 58) on how to act, what to do and what not to do in a situation when constructive feedback is received. The recipient must listen without interrupting. Further clarification on the presented facts can be requested when needed. One should not make any kind of assumptions regarding the motives or feelings of the one giving the feedback. The feedback should not be downplayed and defending oneself

should be avoided. Counter-attacks towards the one giving the feedback must be avoided. Displays of feelings can be expressed in words and actions, but never in a manner where the other party is being blamed or called names. One must show that he has heard and understood what was said. At the end, a proposal on improvement can be made. Finally, it is appropriate to give thanks for the received feedback. (Piili 2006, 58.)

#### **4.2.4 Development discussions**

According to Korpelainen (2013, 232) a proper development discussion is a process that can be split into three phases: preparation, the actual discussion and the follow-up procedures that take place after the discussion. A development discussion can be held between an employee and his manager or it can be held as a group discussion with several employees and their manager. A development discussion should have a target, it should aim for something. It should also be confidential and equal. (Piili 2006, 128.)

It is not uncommon for employees to be nervous or feel stressed about the development discussions. In order to help the employees relax, the method of execution and the marching order for the walkthrough can be flexible instead of keeping to a strict discussion structure. It is important for the employees that they are heard, their message is received and acted on and that the situation is just. (Piili 2006, 128.) The minimum interval for these discussions is annually. Due to managers sometimes finding the development discussions as an extra burden, it may be necessary for the company to have an agreed process and system for the development discussions. (Korpelainen 2013, 234.) Piili agrees (2006, 130) that the development discussions can feel burdensome, but according to her, it is likely that the need for making effort to direct and motivate people throughout the year grows smaller when development discussions are held. According to Viitala (2002, 171-174), managers who are active in holding development discussions, keeping up a dialog with their employees and who guide their employees in correcting errors in a constructive manner, are getting positive reviews from their subordinates.



According to Korpelainen (2013, 234) a development discussion is a manager's most important temporal investment in leading an employee. A manager must ensure that the employee uses his working hours in focusing on the most important duties in order to achieve the company's strategy and goals. In addition, the manager must ensure that the employee focuses on further developing his skills in the areas that are the most important in his duties.

### **Phases of a development discussion**

In order to have a successful development discussion, both the manager and the employee must prepare for it. A proper discussion takes time, so it must not be held in a hurry. The place for the discussion should be peaceful and absent of disturbing noise. (Korpelainen 2013, 233-234.)

Both Korpelainen (2013, 234) and Piili (2006, 128) are of the opinion that a minimum of two hours must be reserved. It is good to review any existing discussion guidelines and think about what questions could be asked. If there are any unpleasant or difficult topics to be brought up in the discussion, it is good to think in advance about how and when to handle those. At the beginning of the discussion meeting, the agenda can be reviewed and one more look can be taken at the goals of the discussion.

Evaluation of the past period is a phase both Korpelainen (2013, 233) and Piili (2006, 129) place at the beginning of the discussion. The past goals and evaluation criteria are reviewed, all positive and negative factors that have had an effect on the output are discussed. The feedback and evaluation given must include the employee's work results and successes as well as the possibilities and opportunities for improvement.

Setting goals for the next period is a phase where the employee gets his goals for the present and near future. It also includes going through the strategies and goals of the unit and the organization. The manager must make an effort to ensure the employee is committed and motivated, and that the level of challenge is suitable for the employee. It is also important to ensure that the tasks and goals for the next period are interesting. (Piili 2006, 129.)

Besides the evaluation of the past and the target setting for the future, the development discussion should include a review of job description, an evaluation of know-how and skillset and a plan of improvement. Also the functionality of the working conditions, the work community and the manager relationship should be evaluated. (Piili 2006, 129.)

A career planning discussion is also good to be included in the development discussion meeting, including both the views of the manager and the wishes and plans of the employee. Any need for support is reviewed and possible changes in personal matters can be discussed. Before ending the meeting, follow-up actions are agreed and a memo or a document of the meeting is written, although this can be done afterwards too. (Piili 2006, 129-130.)

According to Korpelainen (2013, 233), salary should not be discussed in the development discussions because it takes away focus from the evaluation of accomplishments and performance. Piili (2006, 127) states that any discussion regarding salary should be kept separate from topics that require trust and courage.

#### **4.2.5 Summary of Attention to people category**

As a summary, giving attention to people is very important for a leader. Giving attention to people can be seen as a big umbrella covering many topics that are closely related to interacting with other human beings. Leaders have a responsibility to be effective and to make their employees work effectively. Neglecting their needs and their interests is working against the goals of the organization.

Leaders must know how to get their people give their best in their jobs. Leaders must understand how to influence the motivation of their employees. Motivation can be affected by many factors, causing the motivation to either increase or decrease. Learning how the motivation process works can help a leader keep his employees focused in working to reach the goals of the organization.

Communication is one of the cornerstones upon which a good organization is built. Communication happens everywhere, and it is not always verbal or written. People read a lot from other people's behavior, their gestures and their

choice of words. Giving everyone undivided attention is in fact communicating to others that they matter, and that their efforts are appreciated. Communication is a valuable tool in an effective leader's toolbox, regardless of the position or industry.

Communication is essential also in giving feedback. Feedback can be seen as a method of letting people know how well they are doing in their jobs. Feedback should be a continuous activity, and not limited only to certain periodic cycles. Feedback can be given in an encouraging way, even when there is something to be changed in the actions or conduct of the employee. Feedback is closely linked with development discussions, where tasks and performance are evaluated.

Leaders have a responsibility in aiding the development of their employees. Many organizations have identified specific processes for development discussions, aiming to ensure that the performance, job descriptions and work assignments are reviewed at a regular basis, and that changes are made where needed. Again, giving attention and understanding the principles of message exchange in communication process are in a key role.

Attention to people is an important entity for leaders. Although time spent with people is often not seen as important as time spent with tasks, the importance of giving attention must not be downplayed. As discussed in chapter 4.2 as much as 70% of people resigning are doing so because they are not satisfied with their manager. Motivation, communication, feedback and development discussions are all important topics that a good leader acknowledges. Furthermore, they are all topics that a leader is able to affect with his actions.

### **4.3 Decision-making**

According to Kostamo (2004, 223), making decisions is in the core of leadership. Riabacke and Riabacke (2015, 6) have found that that making wise decisions is the best way to steer companies and organizations. Neuvonen (2014, 22) has found that the general assumptions of people making decisions consciously, and that feelings distort decision-making, are false. According to him,

these assumptions are alive because of past philosophers such as Immanuel Kant and Jeremy Bentham.

According to Neuvonen (2014, 22), today's scientific understanding is that decision-making has less to do with consciousness and rationale than one would assume. Feelings are also nowadays considered necessary in decision-making. Neuvonen (2014, 24) has also found, that decision-making and thinking cannot easily be separated from one another. Conscious thinking and decision-making is especially burdensome to our brain, and we therefore tend to avoid thinking whenever we can.

Johnsson (1989, 48) has similar views as Neuvonen. Johnsson also recognizes the concept of decisions being made mainly based on feelings, and that logical thinking has only a limited amount of significance in the process. According to Johnsson, people should learn to see the meaning of feelings and attitudes in the decision-making process, and allow them their recognized weight instead of trying to explain matters with logic. Furthermore, every person making decisions should learn to know his own way of deducing and deciding.

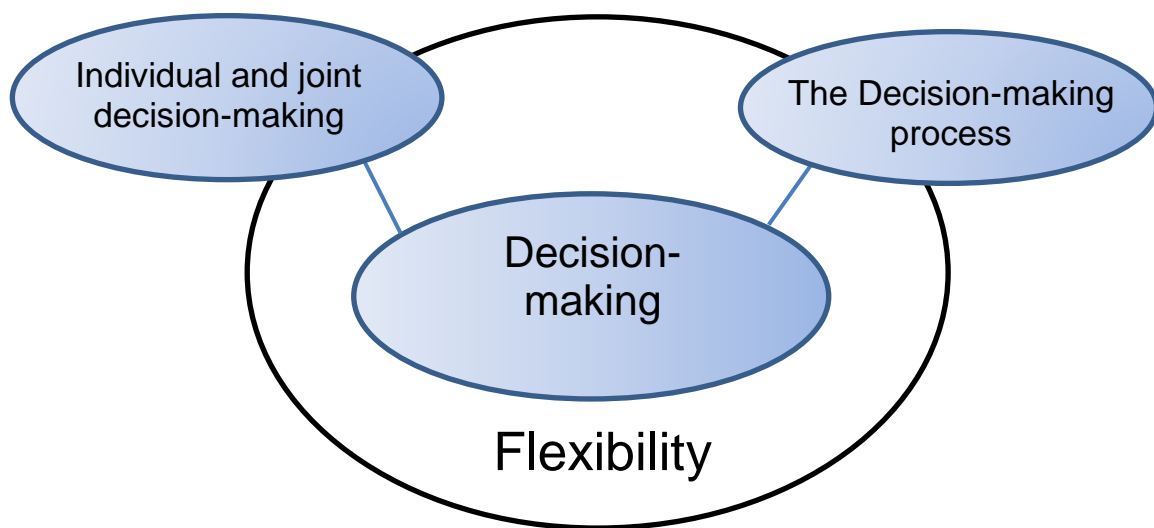
Riabacke and Riabacke (2015, 34) have found that when a person is making decisions, there is a lot happening in his brain. According to Riabacke and Riabacke, only up to 1% of thoughts in a person's brain are neutral, rational or objective. The rest are a sum of factors that are difficult to point out. Most choices are made by grounds that are not rational.

According to Neuvonen (2014, 203) patience is an ability to tolerate one's internal unrest with calmness, to let feelings arise and settle, and to keep the bigger picture and expediency in mind. An impatient manager induces panic in his subordinates. The lack of patience causes mistakes in strategic and design work. The impatience of management can at its worst start to cripple the functionality of the whole organization.

Riabacke and Riabacke (2015, 35) have discussed a phenomenon that they call the horror of making decisions. People suffering from that phenomenon dread making decisions on something they experience as difficult or arduous. The cause of this dreading is the abundance of choices and information that is

available in today's society. It is difficult to grasp the whole picture of the situation and to choose the best alternative.

Two subcategories emerged from the research data, Individual and Joint decision-making and The Decision-making Process (figure 13). At first, a third subcategory called Obstacles of Decision-making was also considered, but was later merged together with the main category and the remaining two subcategories.



*FIGURE 13: Decision-making category and subcategories*

#### **4.3.1 Individual and joint decision-making**

According to Malik (2002, 177), making decisions is one of the leaders' central tasks. Although it is not their only responsibility, it is, according to Malik, the most typical task that leaders face. If a person is not able to make decisions, he, according to Kostamo (2004, 223) is unfit to lead.

According to Kostamo (2004, 223), the general conception of leadership has had the leader making the decisions and telling others what to do. Malik (2002, 177) has found that only leaders make decisions. Therefore, a person making decisions is a leader, regardless of his position, title or task. Malik has also presented this from a different perspective. According to Malik, a person who does not make decisions is not a leader, regardless of his position, status, privileges

or qualifications. Kostamo (2004, 223) has found that today the concept of only leaders making decisions has been expanded to possibly include also others in the decision-making process.

Besides moving a great deal of money, decisions required from a leader can have immeasurable impacts for example to the health of other people or the preservation of the environment. Difficult decisions may require more time, but still they must be made. (Kostamo 2004, 223.) Riabacke and Riabacke (2015, 17) have found that to not make a decision is also decision-making. According to Kostamo, to come to a negative decision due to not being able to make any decision is bad leadership and bad decision-making.

Johnsson (1989, 45) has found that making decisions that are timed correctly is a great challenge for every leader. This has become a central topic in the road to success. The increasing pace of development, changes and possibilities leaves less and less time for considering the alternatives and grounds for decisions. Johnsson describes decision-making as handling of information and making a choice based on that. Johnsson has also identified the vast amount of information as a problem that has grown over the past problem of not having enough information.

When a leader makes a decision on time, there may still be time left for correcting the decision if needed. If a decision is made too late, such opportunity may no longer be available. Johnsson (1989, 48) emphasizes the importance of learning to make decision rather too soon than too late. Johnsson has found that it is common that decision-making is difficult because the differences between alternatives are hard to grasp. On top of that, there may also be unpleasant factors included that influence the decision-making.

Johnsson (1989, 49) has further discussed the concept of joint decisions. Where Malik (2002, 177) had the view of only leaders making decisions, Johnsson has found that modern leadership in fact favors putting more focus on a group participating in the decision-making. According to Johnsson, joint decision-making has some advantages over decisions being made only by one person. 75% of the groups making joint decisions can reach better decisions than

an average decision-maker can. It is also easier to implement the decisions, when the people affected are participating in the decision-making.

However, not all effects of joint decision-making are positive. Johnsson (1989, 50) has also found that it takes roughly 50% longer for a group to reach a decision compared to decisions made by a single person. Also, authority and age usually lessen people's ability to work together, and in comparison the ability to make individual decision usually grows with authority and age. In general, it is more common for individual decision-making to be used in situations that carry risk. Riabacke and Riabacke (2015, 97) have also found that most groups are too large for them to be able to perform effective decision-making.

Malik (2002, 178) has found that most leaders make decisions too soon. They believe that it is clear, what is being decided and where the difficulties of decision-making lie. Riabacke and Riabacke (2015, 92) have discussed a topic called active decisions. According to them, in order to get something ready, decisions must be made. Decisions must be made in time, and there must be an established procedure that is followed in decision-making. The procedure must include steps of responsibility, criteria, time relatedness, information, cause and dependencies. Thus the procedure defines who has the responsibility that the decision is made. It also defines the criteria and views, the allowed time for the process and factors influencing the decision-making. Furthermore, it defines the deadline for the decision, the type of information that is needed, the cause and purpose of the decision and all other decisions that may have a dependency to the one that is being made. When multiple decisions that are related to the same category or class are being made, it is, according to Riabacke and Riabacke, useful to have a common procedure that can be followed in all of them.

According to Malik (2002, 179) the concept of good leaders making many decisions and making them fast is an illusion. In reality, good and effective leaders make fewer decisions, but they make them with care and with careful consideration. They know that decisions often carry a risk and non-desired consequences. According to Malik, good leaders avoid situations where fast decisions are required as much as they can. Effective leaders have a basic assumption

that there are always more alternatives than are yet known. Effective leaders also, according to Malik, never take the first possible option.

Malik (2002, 181) has found that decisions can be made too fast, but also too slow. Combining speed and rigor in decision-making is a problem that has no pre-defined formula that solves it. Malik has also found the importance of a decision-making procedure. Malik has also discussed the possibility of including other people besides the leader to the decision-making process. According to Malik, this is done by good leaders in order to ensure that the decision-making and the implementation of the decisions are done as effectively as possible.

#### **4.3.2 The decision-making process**

Decisions are being made in organizations on a daily basis. Effective and successful decisions are important to every organization, and therefore an established decision-making process can be said to be crucial. The purpose of a decision-making process is to choose the course of action. (www.tutorialspoint.com, cited 4.8.2015.)

According to Malik (2002, 177) leaders only rarely practice decision-making in advance. This is unfortunate, because according to Malik, decision-making is a task that can make or break a leader. If a leader has an established process for decision-making in his use, he can follow that to ensure the good quality of his decisions.

The decision-making process starts with careful and complete definition of the problem at hand. It is important to define clearly the nature of the decision that must be made. The biggest problem in this phase is not the complexity or the wrong definition of the problem, but rather the inadequate definition of the problem. The situation must be completely understood. (Malik 2002, 177; www.umassd.edu, cited 4.8.2015.)

The next step is information gathering. According to Malik (2002, 187), the requirements that the decision must meet have to be clarified. Compromises should not be made at a too early phase, although it is very usual that compro-



mises are needed. There may be several stakeholders at play and all of them must be considered. (www.tutorialspoint.com, cited 4.8.2015.)

Third step of the decision-making process is identifying the alternatives. It is not uncommon to identify several possible choices. One of the common mistakes is to take one of the first alternatives that are found. Another recurring mistake is to dismiss the present state, or status quo, although that is in fact an alternative too. (Malik 2002, 188; www.umassd.edu, cited 4.8.2015.)

When all alternatives are identified, they must be carefully weighed. Malik (2002, 189) has viewed this as the most arduous part of decision-making. The consequences and risks of all identified alternatives must be considered with care. Malik has found that there are always risks present with important decisions, and that it is therefore critical to identify the types of risks that come with different alternatives. Considering each alternative carefully will enable them to be put in a priority order, and eventually the most suitable one can be chosen. The experience of the decision-maker will be helpful in this phase. (www.umassd.edu, cited 4.8.2015; www.tutorialspoint.com, cited 4.8.2015.)

After all the alternatives are weighed, a decision is made. A person may, however, after all the preceding steps of a decision-making process still be unable to make a decision. Malik (2002, 191) has found such people to be indecisive. Furthermore, Malik has come to the same conclusion as Kostamo in chapter 4.3.1, that such people are unfit to lead. When the previous steps are covered with care, making the decision should not be too difficult (www.tutorialspoint.com, cited 4.8.2015).

After the decision is made, it still must be implemented. Depending on the decision, this may require concrete actions from the leader, his subordinates, or both. Decision is still only a well-executed thought until it is implemented. It is often useful to define the actual steps that are required in the execution of the decision, as well as defining the timeline for taking them. When the implementation is shared by more than one person, it is useful to define responsible persons for each step. (Malik 2002, 193; www.umassd.edu, cited 4.8.2015.)

The last step of the process is to review, evaluate and do follow-up. Malik (2002, 194) has found that effective leaders do constant follow-up on their decisions. They demand reports about the progress and results, but they also do personal reviews. When the decision is made and implemented, it is possible to look back and evaluate whether there is something to be learned from it. Lessons learned from every decision made and put into action can potentially be used to further refine or correct the future decision-making. Learning from what has happened and what has been done is one of the best practices for improving one's decision-making. (www.umassd.edu, cited 4.8.2015; www.tutorialspoint.com, cited 4.8.2015.)

### **Decision-maker types**

Although thinking and decision-making are closely related to personal feelings as established in chapter 4.3, there are four types of decision-makers. This categorization was originally created by a British criminologist and statistician Leslie T. Wilkins. The four types are pragmatic, visionary, consensus-seeking and analytical. (http://smallbusiness.chron.com, cited 5.8.2015; http://www.thefreedictionary.com, cited 5.8.2015.)

A pragmatic decision-maker is focused on the end results. Pragmatic decision-makers value facts, and want everything to be based on facts. The material used in the decision-making must be clear and objective. Pragmatic decision-makers also want to clearly understand what effects their decisions will have. (Riabacke & Riabacke 2015, 52; http://smallbusiness.chron.com, cited 5.8.2015.)

Visionaries are always looking at the big picture, and trying to get as much information from as many sources as possible. In addition to the facts, visionaries try to understand how their decision will make other people feel. Visionaries are comfortable with using innovative methods, and they are not as focused on facts as pragmatic decision-makers are. (Riabacke & Riabacke 2015, 53; http://smallbusiness.chron.com, cited 5.8.2015.)

Consensus-seeking decision-makers are interested in ensuring that as many people as possible are happy with the results of the decision. Consensus-

seekers can be distracted and even lost in the minor details. They aim to get as many opinions as possible from people possibly affected by the decision, and may sometimes make a decision they themselves do not like, only to ensure the satisfaction of others. Consensus-seeking decision-makers hold their relationships with other people in very high value. (Riabacke & Riabacke 2015, 53; <http://smallbusiness.chron.com>, 5.8.2015.)

Analytical decision-makers want to double-check and triple-check all conceivable details and points of view. They are extremely interested in facts. Analytic decision-makers do not like surprises, and expect all material presented to them to be systematic, logical and based on facts. (Riabacke & Riabacke 2015, 54; <http://smallbusiness.chron.com>, 5.8.2015.)

#### **4.3.3 Summary of Decision-making category**

Decisions are made in organizations every day. Decisions are unavoidable for the functionality and continuity in organizations. Making decisions is one of the most essential tasks of a leader.

Decision-making is a process that has many sides. Organizational decision can, depending on the situation, have far reaching effects reaching for example all the way from the monetary impacts to the well-being of people. Decisions can be either seen as a delicate process with an input and an output, or as an irrational feeling-based happening inside a human's brain. Most human decisions are made relying heavily on feelings and often even without conscious consideration.

Leaders have to be able to grasp the situation before a decision is made. Leaders can either keep the decision-making for themselves, or include other people in the process. Today's leadership has increased the weight of joint decision-making, but that choice should still be made case by case.

One of the greatest challenges in decision-making is being able to make them in a timely manner, while still taking enough time to consider all important aspects. Leaders may occasionally have to act fast, but in general better effectiveness is achieved through careful and organized decision-making. Organized

decision-making is valuable in all organizations, and a pre-defined decision-making process is a valuable tool for leaders despite their position. Whether to use joint decision-making or not, and whether to make a rapid decision or a carefully considered one requires flexibility from a leader.

Well-structured decision-making protocol works in the leader's interest in ensuring the quality of his decisions. Such process defines the steps that must be taken so that decisions are considered with same care over and over again. Although there are different decision-maker types that can be recognized, a pre-defined decision-making process can ensure that most decisions in an organization are successful ones.

#### **4.4 Conflict handling**

Proper handling of management duties prevents many challenging situations. The stronger and the more robust the actions of a manager are, the better the goals and working models as well as the general rules around the office are illustrated (Nikkola & Salminen 2012, 41). Managers have an obligation to advance good working environment and the professional progress of employees. They also have an obligation to support employees perform well in their duties. Employees are entitled to expect being managed properly in their work. (Nikkola and Salminen 2012, 82.)

Järvinen (1998, 11) has found problems and conflicts between people to be the most difficult issues to solve in a working community. The demands of work are growing and causing people's pressure levels to rise. This takes a toll on people. The tight demands and increased pressures have caused the problems in the working atmosphere to increase. (Järvinen 1998, 15.)

Eventually it is the manager who has the responsibility over meeting the goals of the organization. According to Nikkola & Salminen (2012, 99), management work is generally speaking a combination of setting goals, motivating people, doing follow-up and giving feedback. A manager must also intervene in non-desired activity and behavior. Korpelainen (2013, 166) has come to the same conclusion, that the responsibility of solving conflicts belongs to the manager.

According to Nikkola and Salminen, the mere position as a manager places a formal obligation on the person to do so. There are bound to raise conflicts in human interaction, and having the skills to solve them in a constructive manner is essential to a manager. It is better to take charge and solve conflict situations early on than to avoid all conflicts altogether. (Nikkola & Salminen 2012, 100.) Malik (2002, 183) has also found that even the best of leaders have a tendency to avoid conflicts.

Through his title and position, a manager has the authority to make the final calls and decisions in work-related matters, but the people affected are also entitled to be heard. Generally the best result is achieved through open discussion where all views are observed. (Nikkola & Salminen 2012.) Korpelainen (2013, 166) has also discussed the importance of aiming to solve problems together.

Korpelainen (2013, 166) has brought up the risk of the manager losing respect by disregarding the possible conflicts or problems in people's conduct. Therefore it is important that all problematic situations are properly handled. Jalava (2001, 155) has found that people generally expect their managers to actively intervene in conflict situations.

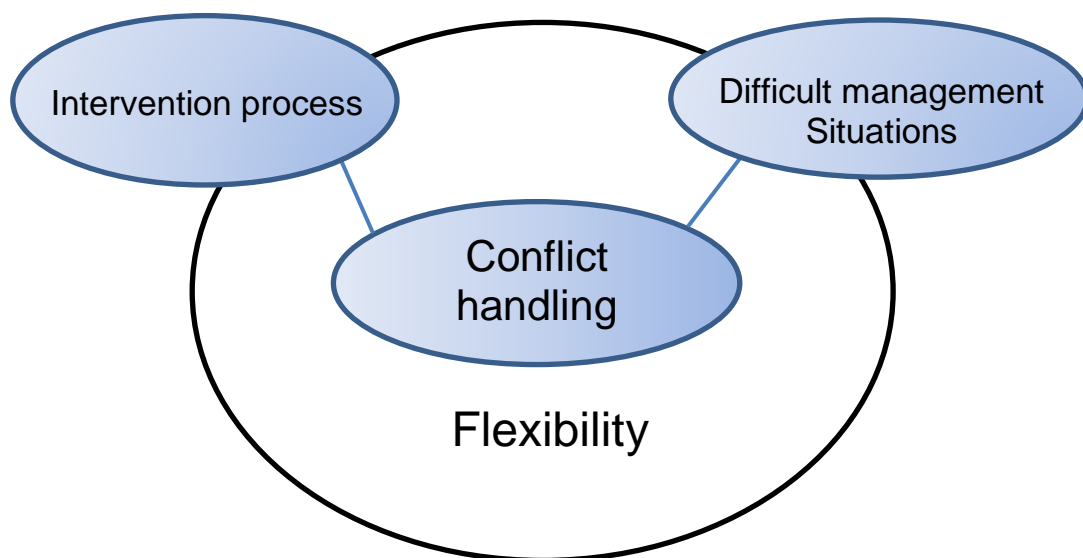
Järvinen (1998, 16) has found that many companies have a lot to learn in handling personnel problems and conflicts. Poor methods and unclear practices can cause problematic situations to become even more complex. If the company has a Human Resources department, managers can turn to them for assistance. HR and the services they provide can be an important source of help for managers, and managers should learn to know the skills and services available there. It is important to keep regular contact with HR department even if there yet are no problems or conflicts to handle, as HR can help the manager prevent such situations. It is also advisable to discuss with a representative of HR of any personnel decision if there are any doubts or uncertainties weighing on the manager's mind. (Nikkola & Salminen 2012, 34-35.)

Intervention and conflict situations at the workplace were a topic that was referred to in many sources in the research data. At first there were many con-

cepts and sub-category proposals for this category, but as the coding was progressing it became apparent that not all of them could be saturated.

The research data included so much information about situations where a leader must intervene, that in the end it was decided to form two sub-categories and include the topics that became saturated enough. This does not mean that this research covers all the needed situations where intervention by a leader is required. This research covers the situations that were sufficiently saturated and thus considered applicable for this category. Two sub-categories were identified, and they were named The Intervention Process and Difficult Management Situations (figure 14).

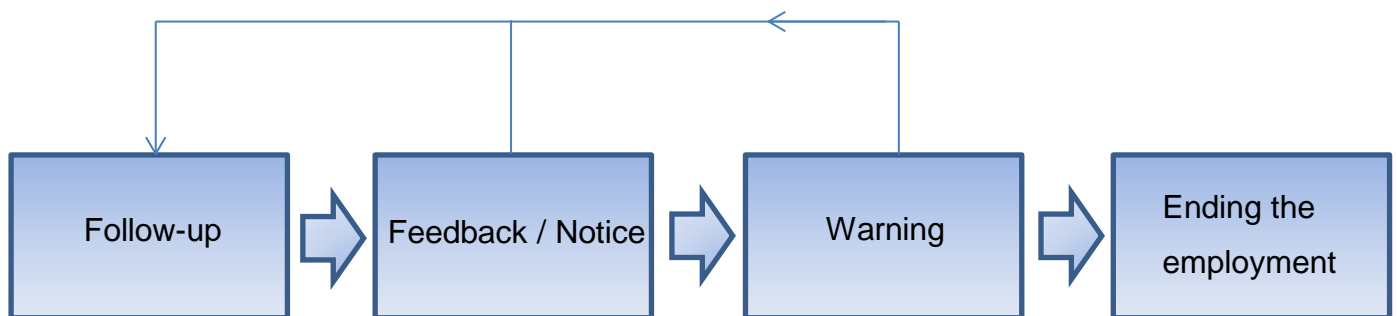
This chapter covers the intervention process and the difficult situations that leaders may face in their work as managers. This chapter primarily uses the term manager instead of leader. This is because the majority of the research data had a presumption of leaders handling these types of situations, to be working in managerial roles. In this chapter, all managers are presumed leaders.



*FIGURE 14: Conflict Handling category and subcategories*

#### 4.4.1 Intervention process

According to Nikkola & Salminen (2012, 104-105), the process of intervening means a systematic model according to which the manager acts, when the actions of an employee or employees deviate from what is agreed (figure 15). The same process is preferably followed on the entire organization level. The purpose of intervention is to react to non-desired activity. The basis for effective intervention is effective and systematic follow-up. Follow-up enables managers to intervene in non-desired activity in an early phase, when it is still easier to take corrective measures.



*FIGURE 15: The intervention process. Source: Haastavien esimiestilanteiden ratkaiseminen (Nikkola & Salminen 2012, 105), modified by Vaari, A., 2015*

According to Nikkola and Salminen (2012, 106), single sided feedback often does not produce the best result, and therefore it is best to aim for open interaction where both parties are not afraid to express their view of the problem and situation. When handling situations that require intervention, manager should keep his own feelings aside and concentrate on facts. Instead of accusing the employee, the manager should aim for a conversation and try to find out the reasons behind the non-desired actions.

Piili (2006, 153) has come to the same conclusion, that the first step of intervening should be a discussion with the employee. The employee is asked to present his own view of the situation. To take this first step may be difficult, because people often want to be considerate. It is not uncommon to be afraid of hurting another person's feelings by bringing up matters that must be solved.

According to Piili, sometimes an open discussion is all that is needed, and the employee may correct his behavior soon after. Korpelainen (2013, 167) has emphasized that the efforts taken by the manager must aim for solving the situation, instead of only talking about the situation. Solving the situation means that the employee corrects his behavior from non-desired to acceptable.

When discussions do not lead to the desired result, which means ending the non-desired activity, a notice can be given. Although giving notice is informal and not recognized by the labor law, it can result in the employee correcting his behavior and thus obviate the need to give a formal warning. (Nikkola & Salminen 2012, 106.)

When mere discussion and guiding feedback are not sufficient to correct the employee's actions, stronger tools are needed. Sometimes the manager may have to give an employee a warning. The purpose of a warning is to get the employee to stop and think about his actions seriously. (Nikkola & Salminen 2012, 107-108.) A warning also carries a message that if the non-desired activity continues, it can lead to the termination of the employment (Korpelainen 2013, 167).

A warning is good to be put in writing and it should be accompanied with a discussion with the employee about the reasons that led to the warning being issued. In case a termination of the employment becomes necessary, it is absolutely critical that the manager has intervened in the situation beforehand and that a warning has been issued. The absence of a warning can result in the termination of the employment being unlawful in accord of law. However a warning does not automatically warrant a termination of the employment, and such action may not even become necessary. A common factor for intervention, notice, warning and even ultimately the termination of employment is strong and robust management work. (Nikkola & Salminen 2012, 104-108.)

Piili (2006, 154) has proposed regular questionnaires and interviews to be used for finding out the mood and the views of the working environment. This kind of approach could be helpful in determining the development of the working atmosphere on a longer term. If this approach is taken, it is important that the



leaders take action on the results when needed. If nothing changes even when the results indicate that a change would be in order, it can cause frustration and undermine people's trust in their own possibilities to influence.

### **Model for early support and intervention**

Nikkola and Salminen (2012, 102-103) discuss a model for early support and intervention. In this model, the bar is set low for taking different types of situations under discussion with employees. In general it is often difficult to intervene or interfere with other people's work or behavior out of fear that they may feel offended or get angry. The model for early support and intervention can help with that, as it is often easier to accept intervention when it is known to be a part of a commonly agreed process or way of working.

The actual implementation of the model in daily business can be as simple as simply asking the person to have a chat or a discussion. When the principles of intervention at the work place are known to personnel, it is easier for employees to understand that the procedure is not an attack towards them as a person but instead a way for the employer to oversee the staff and take care of the work environment. The model should be applied with continuity and regularity, because when applied only randomly there is a risk of undermining the model as well as creating concerns for unfairness. (Nikkola & Salminen 2012, 102-103.)

The model itself does not have to be limited to any specific type of cases. It can instead be applied broadly to everyday life in the office. The early support and intervention model can for example be used when there is need to bring up someone's inappropriate behavior, increased absences, carelessness, negligence or being late. (Nikkola & Salminen 2012, 102-103; [www.talouselama.fi](http://www.talouselama.fi), cited 5.8.2015.)

When the model is introduced and established it can for example be utilized in a way where a need for discussion with an employee is initiated by near automation when a certain amount of absences is reached. This kind of implementation of the early intervention model makes it easy to open a dialog with an employee because it is done as part of the general working practices followed at the office. (Nikkola & Salminen 2012, 102-103; [www.talouselama.fi](http://www.talouselama.fi), cited 5.8.2015.)

Manager-employee discussions are essential for the model for early support and intervention to work. It is possible that all such discussions are not even work related. If these discussions are very sensitive in nature, the manager must make sure he does not probe too far into the employee's private life. (www.talouselama.fi, cited 5.8.2015.)

### **Solution focused approach**

Solution focused approach is a widely spread method of development that emphasizes positivity, the personal resources of a person and focusing on the future instead of lingering in problems. It is a method that can be used to solve very complex problematic situations. According to the solution focused approach a person always has a good original intention or an important motive for his actions. A discussion over those motives and intentions often makes it easier to mend the non-desired activity. A manager's genuine respect for employees and the will to help them creates a strong foundation for trust, and trust is the foundation for good interaction. Good interaction between managers and employees is essential for solution focused approach to solving problems, and open questions play a very important role. (Nikkola & Salminen 2012, 112-113; www.ratkes.fi, cited 5.8.2015.)

According to Katajainen, Lipponen & Litovaara (www.terveyskirjasto.fi, cited 6.8.2015), Solution Focused Approach can be understood as a certain kind of attitude towards problematic situations. It strives to find solutions and objectives. Katajainen, Lipponen & Litovaara have also emphasized putting the focus on the future and preserving hopefulness.

#### **4.4.2 Difficult management situations**

Managers face challenging management situations every now and then. Making difficult decisions that sometimes face opposition from the employees is part of the management responsibility (Nikkola & Salminen 2012, 125). Intervening with disturbing behavior is always on the responsibility of the employer and the management. According to Vartia, Gröndahl, Joki, Lahtinen and Soini (2012, 78), there is a rule of thumb that when someone's behavior is interfering with

someone else's wellbeing or the ability to do their job, the manager must intervene.

In principle, it is possible to rectify the problems in the workplace, but the longer they are stretched the more difficult it is. According to Järvinen (1998, 156-157), it is possible that acute problems do not require the attention of a manager, but such conflict situations that have already grown chronic will always require management work. The manager must clearly point out that change is required and the problems that are hindering the work efforts are not tolerated.

### **Inappropriate behavior**

According to Nikkola and Salminen, Inappropriate behavior of an employee usually means behavior that is commonly considered culpable and is focused on the employer, clients or co-workers. An employee must avoid all such behavior that is in conflict with what can reasonably be expected from a person in his status, and what can specifically cause damage to the employer. (Nikkola & Salminen 2012, 125-126.)

The person acting in an inappropriate way is primarily responsible for his actions, but according to Nikkola and Salminen the manager tasked in overseeing the actions of the employees can also be held responsible for allowing inappropriate behavior to take place. (Nikkola & Salminen 2012, 127.) It is common for unwanted behavior to manifest in arguments or disputes. In case there is violence or even the threat of violence, the employee may be unfit for his work. The ultimate end result of inappropriate behavior can be the termination of the employment. (Nikkola & Salminen 2012, 126.)

Piili (2006, 149) has found that to have control over one's own feelings is important in confrontational situations. People have a tendency to express their prejudices, and this can be harmful because the meaning of first impression is important also in confrontations. To be able to stay calm can lessen the likelihood of the conflict to escalate.

## **Deception and dishonesty**

Dishonesty of an employee is taken seriously in the business life and even a minor property theft can be seen as grounds for termination of employment. In standard employment relationships a termination is usually the result of the employee continuing his dishonest behavior regardless of a warning preceding the termination. In professions where specific trustworthiness is expected, dishonesty of an employee will mainly lead to termination of employment. (Nikkola & Salminen 2012, 127-128.)

A situation where dishonesty is being weighed can for example be such where the employee uses the tools or materials of the employer for his own purposes (Nikkola & Salminen 2012, 128). In a study executed by Sarah Nonis from Arkansas State University and Cathy Owens Swift from Georgia Southern University (2001, 69-76), it can be seen that everyone does not perceive dishonest behavior in the same way.

Nonis and Swift collected data from a sample of 1051 business students in both graduate and undergraduate business classes at six AACSB-credited (The Association to Advance Collegiate Schools of Business) universities in the South and Midwest USA. They asked students to respond in this section of the study only if they had had a part-time or full-time job in the previous five years. The students were provided with a list of behaviors and were asked to indicate whether they believe they were dishonest or not. The questionnaire was a multiple choice with the choices "definitely cheating", "probably cheating", "probably not cheating" and "definitely not cheating".

Based on the questionnaire, it was seen that only 20% of the respondents believed photocopying or mailing personal papers to definitely be cheating. Calling in sick when you weren't was believed to definitely be cheating by 35.9% of the respondents. Taking merchandise/equipment for one's own personal use was believed to definitely be cheating by 71.3% of the respondents. Taking money from the company was believed to definitely be cheating by 92% of the respondents. (Nonis & Swift, 2001, 69-76.)

In their study, Nonis and Swift (2001, 69-76) also found a significant relationship between students' beliefs about whether a work behavior is cheating and the frequency of their actually engaging in it. Students who believe that there is nothing wrong in taking office supplies for their personal use also tend to be the ones who take the supplies for their personal use.

There can be extenuating circumstances to workplace dishonesty. Such a case can be for example where the employee admits to acting erroneously, or where the dishonesty is minor. Therefore all situations must be studied separately and there is no one-for-all solution when dishonesty at work place is discovered. (Nikkola & Salminen 2012, 128.)

### **Criticizing the employer**

Disagreements between managers and employees are common in work places. In conflict situations between a manager and an employee, it should be defined when the disagreement is beyond the level of being seen as normal. The employer can demand an employee to withhold from criticism against the employer based on the obligation of loyalty, and the higher the position of the employee is, the more firmly this obligation can be interpreted. (Nikkola & Salminen 2012, 129; [www.lexia.fi](http://www.lexia.fi), cited 6.8.2015.)

In the first quarter of 2015 the social media penetration was 59% in the North America, and 47% in the West Europe ([www.statista.com](http://www.statista.com), cited 17.6.2015). It is advisable for employers to ensure their employees are aware of the expectations towards them about how to conduct themselves when it comes to criticizing their employers in social media. It can be a surprise to many that the obligation of loyalty reaches to their leisure time as well, and may limit or have an effect on how they can act in the social media. (Nikkola & Salminen 2012, 130-131.)

Nikkola and Salminen show two examples of companies that have created instructions for their employees on how to act in social media. The instructions of Helsingin Sanomat newspaper note that all discussion about work matters belongs primarily inside the work community. YLE, the Finnish public service broadcasting company instructs their employees to use consideration when

making comments in social media regarding the employer or the working community. (Nikkola & Salminen 2012, 131.)

Criticism and inappropriate writings in social media can have severe consequences (www.yle.fi, cited 6.8.2015). In her Master's Thesis, Rönkkö (2012, 20) has studied inappropriate behavior as grounds for ending a labor contract. She has found that although inappropriate behavior has traditionally been related to happening during working hours, the penetration of social media has caused such behavior to manifest also during people's free time. In her study, Rönkkö has found that inappropriate behavior in social media can lead to one's labor contract being terminated.

### **Workplace violence**

According to the Finnish Occupational Safety and Health Administration, workplace violence is defined as experiencing physical violence or the threat of physical violence while carrying out one's work tasks. Violence can manifest in threatening behavior, harassment and intimidation or physical violence such as grabbing, slashing, hitting, kicking or ultimately using a weapon. Violence and the threat of it affect the wellbeing of employees. The threat alone can cause harmful wear out. (www.tyosuojelu.fi, cited 5.6.2015.)

According to Sonia Taneja (2014, 32) from the Texas A&M University, The Society for Human Resource Management and ASIS International's Workplace Violence Prevention and Intervention: American National Standard defines workplace violence as follows.

A spectrum of behaviors - including overt acts of violence, threats, and other conduct - that generates a reasonable concern for safety from violence, where a nexus exists between the behavior and the physical safety of employees and others (such as customers, clients, and business associates) on-site or off-site, when related to the organization. (Taneja 2014, 32)

The workplace has traditionally been viewed as quite a violence-free environment. It is also an environment where confrontation and dialog occur on a daily or almost daily basis. (Ahmed 2004, 7.) According to Ahmed, who has studied

workplace violence in the U.S., it is a growing problem in both public and private sectors of work. In his dissertation, Ahmed states that workplace homicide is the second leading cause of fatal occupation injuries in the U.S., exceeded only by motor vehicle-related deaths. It is also the leading cause of traumatic workplace death among women. (Ahmed 2004, 1.)

Workplace violence must be strictly dealt with. The mere threats of violence, let alone violence itself, are so grave offences that they usually entitle a termination of employment. In some minor cases a warning can be issued and the employee can be given a chance to correct his behavior. However, sometimes violence against a co-worker or employer can be so slight that it does not justify ending the employment. Such a case can occur when the person using violence has for example been provoked. (Nikkola & Salminen 2012, 132.)

In his study, Ahmed has found that a relationship can be found between fair treatment and overall workplace violence, and fair treatment and psychological violence (Ahmed 2004, 285-286). According to Ahmed, it is important that there are effective organizational workplace violence policies in place. A formal policy for violence prevention should be regularly reviewed and updated. Human resources department has a very important role in preventing workplace violence. Human resources department can, according to Ahmed, use training and development programs to increase awareness of workplace violence problems, and to encourage peaceful ways of organizational communication. (Ahmed 2004, 312-313.)

Taneja has also pointed out the need for planning and preparation in order to eliminate workplace violence. According to Taneja, workplace violence, crisis management and strategic management should not be seen as separate concepts, but rather as interdependent ones. The first step in ensuring workplace security and strategic crisis management is establishing a workplace violence prevention system. Taneja also emphasizes the responsibility and the importance of organizational leaders to work to prepare and to educate key stakeholders in their organizations to identify and mitigate the threat before an incident occurs. (Taneja 2014, 32-34.)

The Finnish Occupational Safety and Health Administration also points out the need for the employer to recognize the possible threat of violence in the workplace. The employer must be aware whether there exists a risk of workplace violence, and to determine if the threat is imminent. The local occupational safety and health personnel can take part in mapping the possible threat of violence, and sometimes the expertise of externals like the occupational health care professionals can be of value. (www.tyosuojelu.fi, cited 5.6.2015.)

### **Harassment and bullying**

Harassment is typically behavior that will increase in frequency and severity with almost no end in sight unless there is intervention. On the other hand, a physical assault usually is the end of aggressive behavior because employers are often more assertive and forceful in disciplining employees who fight than those who harass (Jacobs 2005, 30).

Harassment can be even more harmful to employee productivity than physical assault. According to Jacobs, employees who are harassed are more likely to take time off from work and suffer from disrupted work life than employees who are physically assaulted. (Jacobs 2005, 29.)

Korhonen (2009, 8) lists workplace harassment and bullying as one of the biggest challenges for work productivity and well-being. The annual cost of harassment and bullying in the workplace is roughly 20 billion euros in the European Union alone, and according to Korhonen Finland has a high rate of workplace bullying. According to Korhonen as many as 50% of females in Finland have reported experiencing harassment or bullying in their workplace. (Korhonen 2009, 45.)

Nikkola & Salminen state that an employee can be expected to act according to behavioral rules that are generally accepted. Rivalry and competitions in the office can lead to deterioration of internal relationships. A bad working atmosphere can also cause conflicts and problems and lower the bar for people to step out from those rules. When either of the previous happens, the bar is set lower for focusing negative acts towards other people's personal qualities,



characteristics or private life. Inappropriate behavior can be focused towards managers, co-workers or collaboration parties. (Nikkola & Salminen 2012, 142-143.)

Harassment and bullying must not be tolerated at a workplace. There must be zero tolerance for such behavior, because the longer it has continued, the harder it is to stop. The harasser and the victim may not even notice the situation culminating in an endless circle, so it is the responsibility of the leader to take notice of the situation and intervene. Korhonen (2009, 49) sees the prevention and elimination of harassment and bullying as a starting point for effective management and leadership. (Korhonen 2009, 46-49.)

The employer must treat all employees equally. Bullying or harassment can however be received also from a manager, and it can occur for example as uneven work shift distribution, inappropriate language or avoiding conversations. However, a manager has a right to give assignments or even command certain tasks to be done, as long as the orders are appropriate and businesslike. Assigning tasks that are unpleasant for the employee is not bullying, but giving out inappropriate or for example humiliating assignments can be seen as such. (Nikkola & Salminen 2012, 144-145.)

Regardless of the status or position of the harasser or the bully, it is vital for business and for the employees that all harassing is stopped. A leader must observe the situation at the workplace and intervene when needed. A leader must come to know if someone is suffering at their workplace, and for this reason leaders should find a way to discuss all problems with their employees. Giving support to employees is important because at the end no-one can succeed alone. (Korhonen 2009, 156, 158-159.)

### **Sexual harassment**

Sexual harassment is generally understood as behavior the harasser should know to be unwanted or repugnant to the recipient. Such behavior can include for example inappropriate personal questions, implications, making expressions and gestures, physical touching of another person or vulgar language. It is typical for the aforementioned behavior to continue despite the recipient expressing

the behavior to be insulting. People experience situations differently, and what can be seen as harassment is very dependent on the person. The key element is how that one specific recipient is experiencing the behavior towards him. (Nikkola & Salminen 2012, 142-143.)

Sexual harassment in the workplace is a delicate and difficult topic. It is not uncommon to turn such topics to joke. However, for the victim of sexual harassment the experience is very sensitive and can cause various psychological and physical symptoms, for instance anxiety, fear, hate, tension, loss of work effectiveness and loss of self-esteem. (Vartia et al. 2012, 21.)

According to Jacobs (2005, 148), people who have experienced sexual harassment may perceive it traumatic even if the literature in general does not recognize the event as extreme traumatic stressor. Also, the event does not have to be perceived as life-threatening for the person to experience from post-traumatic stress disorder.

While conducting a study on victims or witnesses of workplace violence exhibiting symptomatology of post-traumatic stress disorder, Jacobs noted that in the test group sexual harassment incidents were the ones that were reported the most (Jacobs 2005, iii). 96 subjects completed the study, and together they had either experienced or witnessed a total of 236 incidents at work. The subjects reported a total of 37 sexual harassment incidents as either victims or witnesses, with verbal abuse following slightly behind with 36 reported incidents. (Jacobs 2005, 117.)

Flirting and sexual harassment are two different matters. Flirting happens between two people and it is always consensual. Flirting causes positive feelings. Sexual harassment does not feel good, and it is not bidirectional. However, sometimes it is not easy to distinguish flirting from sexual harassment because sexual harassment is always an individual experience. Sexual harassment is globally understood to be mainly focused on females. However, males can also experience sexual harassment. According to a study conducted in 2008 by The Finnish Ministry of Social Affairs and Health, 19% of males under the age of 35 had experienced sexual harassment. (Vilkka 2011, 36, 70.)

Sexual harassment is present in nearly all fields of work and it is not limited to private or public sector. Training and guidance organized at the work place can be used to influence sexual harassment happening in the office. It is not unusual for employees to view such trainings negatively, but once the problems caused by such behavior are known to everyone, that view usually changes. The employer is responsible for taking action against sexual harassment. (Kauppinen & Puroila 2001, 18, 36-37.)

#### **4.4.3 Summary of Conflict handling category**

Conflict handling is extremely important for leaders. Working environment where conflicts are tolerated and where they are not handled is ineffective and may cause widespread and prolonged personnel issues. Taking charge of difficult situations is not only advisable, but mandatory for leaders. Taking care of people's wellbeing and making sure that everyone is treated equally and justly at their workplace is one of the basic responsibilities that leaders have. Leaders who are unable to handle conflicts are in a position to lose their credibility and trust among their subordinates.

Where there are people, there are bound to be issues between them. The pace of today's working life is so rapid, that it is unavoidable for people to have confrontations. During those occasions, it is important to maintain one's calmness and aim to solve the situation instead of prolonging it.

Leaders have different methods at their disposal for ensuring quick intervention and fast correcting of non-desirable situations. Setting the bar low for manager-employee discussions can be helpful in stepping in quickly when the situation so demands. When everyone in the workplace recognizes this approach, it is easy for leaders to start discussion at a very early phase when everything is not going as expected. If discussion proves ineffective, managers have stronger tools at their disposal. Notices and warnings can be issued, and if all else fails and the situation meets the requirements of termination, the labor contract may be terminated.

Difficult situations that managers may have to handle vary a lot. Some are minor disturbances or inappropriate behavior, whereas some may include harassment or violence. It is crucial that managers act quickly and effectively in all difficult situations. Management has a responsibility to ensure safe and balanced working environment for everyone, and failure to intervene in difficult situations is disregarding that responsibility.

Managers can get help from pre-agreed protocols or procedures that are followed at the work place. Procedures can help both with prevention of difficult situations and with how to response to difficult situations. Situations that need intervention are not to be taken lightly. Intervention requires knowledge of one's rights and responsibilities, and every manager should ensure that if faced with such a situation, they know what to do.

## 5 CONCLUSION AND DISCUSSION

The focus of this research was on effective leadership. There were two objectives: firstly, to study what effective leadership means in practice; secondly, to study what makes an effective leader. The research was conducted based on already existing material.

### **Main results**

The research showed that flexibility is the core of effective leadership. Leaders strive to influence other people for the good of the organization. To be effective in this, they must be flexible. Flexibility makes it possible for organizations and leaders to keep up with the fast pace of today's business world. To stubbornly hold on to the stiff methods that worked in the past, reduces productivity. Flexibility is the common factor that makes leaders able to adapt their behavior in different situations.

Younger generations have new expectations from work. Leaders do not reach the best results by disregarding the needs and interests of their employees. To be able to transform and rise to the demands of the situation has become the key to success in modern leadership. Learning to understand different situations and different people is one of the basic expectations for an effective leader. All leadership approaches do not fit all situations, and grasping the relations between situations and methods to be used is essential to effectiveness.

Time spent with people is often perceived less important than time spent with tasks. The research showed that this perception does not serve effectiveness, and that in reality anthropocentrism is very important in effective leadership. Aiming to understand the needs of employees and giving time for them feeds trust and respect. Being able to motivate, and to grasp the level of other people's current motivation, is crucial for maintaining productivity. People who value their leader are willing to give their best in their jobs.

Effective leadership is not bound to any personal attributes. People's personal qualities may differ quite a lot from one another and they can still be successful in leading others. The research showed that what the person does is much more important than being the right type of a person. It is possible to use one's personal strengths as tools, but being able to choose correct methods in different situations outweighs them.

### **Limitations and Future Research**

At first it was difficult to find detailed information specifically on effectiveness in leadership. Most of the initial literature used in this research discussed the qualities of a good leader. It took some time to establish the connection between effectiveness and good leadership.

For the most part, Grounded Theory worked well as the research method, except for the conditional matrix. The conditional matrix was not found as useful in this research as presumed in advance. Most of the conditions were perceived to be in connection with one another through micro relations. Dimensional relations between micro and macro conditions did not emerge, and therefore the study was conducted mainly with an individual approach. The closest concepts to macro levels were organizational, but reaching the outside of organizational level was minimal.

In this research, effectiveness is discussed partially on a general level, and partially from an organizational point of view. In this study, effective leadership and being a good leader are shown to have a common base. Good leaders are effective, and vice versa. It would be interesting to study, whether that point of view changes if the research is conducted from the employees' point of view. Furthermore, it would be interesting to study what makes a good leader or an effective leader from the employees' point of view, and whether those findings differ from the findings in this research.

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